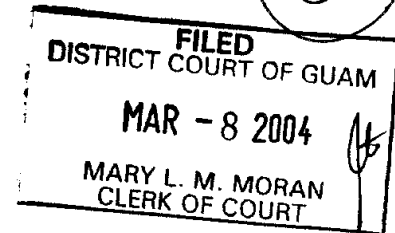


Carlos L. Taitano
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Tel: (671) 647-3387
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Attorney for Plaintiff

IN THE DISTRICT COURT OF GUAM

SAITUREX GUAM INVESTMENT CO. LTD.,) CIVIL CASE NO. **03-00045**
)
Plaintiff,) AMENDED COMPLAINT FOR
) REFUND OF GUAM TERRITORIAL
v.) INCOME TAX
)
GOVERNMENT OF GUAM,)
)
Defendant.)

Comes now the Plaintiff, SAITUREX GUAM INVESTMENT CO. LTD.,
and for the Plaintiff's cause of action alleges that:

1. This Court has jurisdiction to hear this action pursuant
to 48 U.S.C. §1421i(h).

2. The Plaintiff is a Guam corporation whose taxpayer or
employer identification number is: 98-0018893, and whose current
mailing address is: c/o Deloitte & Touche LLP, 361 South Marine
Drive, Tamuning, GU 96913.

3. On February 11, 2003, the Plaintiff duly changed its name
from: "Sun Motoyama International Guam, Inc.," to: "SAITUREX GUAM
INVESTMENT CO. LTD."

//

//

4. The Defendant is the government of the unincorporated territory of the United States of America pursuant to 48 U.S.C. §1421a.

5. This is an action for the recovery of the Guam Territorial Income Tax (the "GTIT") erroneously or illegally assessed or collected by the Defendant, or paid by the Plaintiff, plus interest.

COUNT ONE

6. Recovery is sought of the GTIT overpaid by the Plaintiff in the amount of \$360,516.00 for the taxable year ending July 31, 1999.

7. On February 29, 2000, the Plaintiff timely filed with the Department of Revenue and Taxation, Government of Guam the "1998 Guam Corporation Income Tax Return" of the Plaintiff for the tax year ending July 31, 1999, timely claiming a refund of the overpaid GTIT in the amount of \$360,516.00 (the "1998 Form 1120"), a copy of which is attached hereto and incorporated herein by this reference as Exhibit "A."

8. Based upon the 1998 Form 1120, the Plaintiff not only paid the GTIT, but also actually overpaid the GTIT to the Defendant, and the Defendant actually collected the GTIT from the Plaintiff, in the amount of \$360,516.00.

//

9. More than six months have elapsed since the timely filing of the 1998 Form 1120 timely claiming the refund of the GTIT in the amount of \$360,516.00, and no other action has been taken thereon.

COUNT TWO

10. The allegations in paragraphs 1 through 9 of this Complaint are re-alleged and incorporated herein by this reference.

11. Recovery is sought of the GTIT overpaid by the Plaintiff in the amount of \$43,564.00 for the taxable year ending December 31, 2001.

12. On September 3, 2003, the Plaintiff timely filed with DRT the "Amended Guam Corporation Income Tax Return" of the Plaintiff for the tax year ending July 31, 1997, timely claiming a refund of the overpaid GTIT in the amount of \$43,564.00 (the "1996 Form 1120X"), a copy of which is attached hereto and incorporated herein by this reference as Exhibit "B."

13. Based upon the 1996 Form 1120X, the Plaintiff not only paid the GTIT, but also actually overpaid the GTIT to the Defendant, and the Defendant actually collected the GTIT from the Plaintiff, in the amount of \$43,564.00.

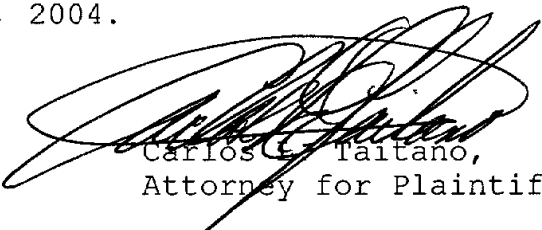
14. More than six months have elapsed since the timely filing of the 1996 Form 1120X timely claiming the refund of the GTIT in the amount of \$43,564, and no other action has been taken thereon.

//

15. The Defendant failed or refused, and continues to fail or refuse, to refund the GTIT that was claimed as overpaid by the Plaintiff and described in this Complaint.

Wherefore, the Plaintiff demands judgment in the amount of \$404,080.00, plus interest, attorney's fees and costs pursuant to 26 U.S.C. §7430, and such other relief as the Court may deem just.

Dated this 8th day of March, 2004.


Carlos E. Taitano,
Attorney for Plaintiff

GUAM

Form 1120

U. S. Corporation Income Tax Return

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

For calendar year 1998 or tax year beginning

8/01

1998, ending

7/31

1999

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

1998

A Check if a:

- 1 Consolidated return (attach Form 851) ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T-see instructions) ☐

Use
IRS
label.
Other-
wise,
please
print
or type.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.
P.O. BOX 8139
TAMUNING, GU 96931

B Employer identification number

98-0018893

C Date incorporated

5/23/74

D Total assets (see page 5 of instructions)

E Check applicable boxes:

- (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change of address

1 a Gross receipts/sales		1,364,618	b Less returns & allowances		c Balance	5,480,615
2 Cost of goods sold (Schedule A, line 8)					1c	1,364,618
3 Gross profit. Subtract line 2 from line 1c					2	809,140
4 Dividends (Schedule C, line 19)					3	555,478
5 Interest					4	
6 Gross rents					5	256,176
7 Gross royalties					6	
8 Capital gain net income (attach Schedule D (Form 1120))					7	
9 Net gain or (loss) from Form 4797, Part II, line 18 (attach Form 4797)					8	
10 Other income (see page 6 of instructions - attach schedule)					9	-46,276
11 Total income. Add lines 3 through 10					10	67,336
12 Compensation of officers (Schedule E, line 4)					11	832,714
13 Salaries and wages (less employment credits)					12	36,000
14 Repairs and maintenance					13	345,046
15 Bad debts					14	566
16 Rents					15	
17 Taxes and licenses					16	148,869
18 Interest					17	84,200
19 Charitable contributions (see page 8 of instructions for 10% limitation)					18	624
20 Depreciation (attach Form 4562)					19	0
21 Less depreciation claimed on Schedule A and elsewhere on return		20	18,170		20	
22 Depletion		21a			21b	18,170
23 Advertising					22	
24 Pension, profit-sharing, etc., plans					23	177,807
25 Employee benefit programs					24	35,107
26 Other deductions (attach schedule)					25	100
27 Total deductions. Add lines 12 through 26					26	289,507
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11					27	1,135,996
29 Less: a Net operating loss deduction (see page 9 of instr.)		29a			28	-303,282
b Special deductions (Schedule C, line 20)		29b			29c	
30 Taxable income. Subtract line 29c from line 28					30	-303,282
31 Total tax (Schedule J, line 12)					31	0
32 Payments:						
a 1997 overpayment credited to 1998		32a	360,516			
b 1998 estimated tax payments		32b				
c Less 1998 refund applied for on Form 4466		32c				
d Tax deposited with Form 7004		d Bal		32d	360,516	
e Credit for tax paid on undistributed capital gains (attach Form 2439)				32e		
f Credit for Federal tax on fuels (attach Form 4136). See instructions				32f		
g Credit for Federal tax on fuels (attach Form 4136). See instructions				32g		
33 Estimated tax penalty (see page 10 of instructions). Check if Form 2220 is attached					32h	360,516
34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed					33	
35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid					34	
36 Enter amount of line 35 you want: Credited to 1999 estimated tax					35	360,516
Refunded					36	360,516

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature
of officer

DAVID L. WELCH

Date 2/1/2000

Title GENERAL MANAGER

Paid
Preparer's
Use OnlyPreparer's
signature

DAVID L. WELCH

Date 1/31/00

Check if self-
employed ☐

Preparer's social security number

P00049120

Firm's name (or
yours, if self-employed)
and address

DELOITTE & TOUCHE LLP
361 SOUTH MARINE DRIVE
TAMUNING GUAM

EIN

98-0047535

GUAM

Schedule A Cost of Goods Sold (See page 10 of instructions.)

1	Inventory at beginning of year	1	538,837
2	Purchases	2	710,038
3	Cost of labor	3	
4	Additional section 263A costs (attach schedule)	4	
5	Other costs (attach schedule)	5	
6	Total. Add lines 1 through 5	6	1,248,875
7	Inventory at end of year	7	439,735
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on page 1, line 2	8	809,140

9a Check all methods used for valuing closing inventory:

(i) ☐ Cost as described in Regulations section 1.471-3

(ii) ☒ Lower of cost or market as described in Regulations section 1.471-4

(iii) ☐ Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods as described in Regulations section 1.471-2(c) ▶ ☐

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶ ☐

d If the LIFO inventory method was used for this tax year, enter percentage (or amounts) of closing inventory computed under LIFO 9d ☐ ☐

e If property is produced or acquired for resale, do the rules of section 263A apply to the corporation? ☐ Yes ☒ No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? ☐ Yes ☒ No

If "Yes," attach explanation

Schedule C Dividends and Special Deductions (See page 11 of instructions.)

	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1 Dividends from less-than-20%-owned domestic corporations that are subject to the 70% deduction (other than debt-financed stock)		70	
2 Dividends from 20%-or-more-owned domestic corporations that are subject to the 80% deduction (other than debt-financed stock)		80	
3 Dividends on debt-financed stock of domestic and foreign corporations (section 246A)		see instr.	
4 Dividends on certain preferred stock of less-than-20%-owned public utilities		42	
5 Dividends on certain preferred stock of 20%-or-more-owned public utilities		48	
6 Dividends from less-than-20%-owned foreign corporations and certain FSCs that are subject to the 70% deduction		70	
7 Dividends from 20%-or-more-owned foreign corporations and certain FSCs that are subject to the 80% deduction		80	
8 Dividends from wholly owned foreign subsidiaries subject to the 100% deduction (section 245(b))		100	
9 Total. Add lines 1 through 8. See page 12 of instructions for limitation			
10 Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958		100	
11 Dividends from certain FSCs that are subject to the 100% deduction (section 245(c)(1))		100	
12 Dividends from affiliated group members subject to the 100% deduction (section 243(a)(3))		100	
13 Other dividends from foreign corporations not included on lines 3, 6, 7, 8, or 11			
14 Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15 Foreign dividend gross-up (section 78)			
16 IC-DISC and former DISC dividends not included on lines 1, 2, or 3 (section 246(d))			
17 Other dividends			
18 Deduction for dividends paid on certain preferred stock of public utilities			
19 Total dividends. Add lines 1 through 17. Enter here and on line 4, page 1			
20 Total special deductions. Add lines 9, 10, 11, 12, and 18. Enter here and on line 29b, page 1			

Schedule E Compensation of Officers (See instructions for line 12, page 1.)

Complete Schedule E only if total receipts (line 1a plus lines 4 through 10 on page 1, Form 1120) are \$500,000 or more.

(a) Name of officer	(b) Social security number	(c) Percent of time devoted to business	Percent of corporation stock owned		(f) Amount of compensation
			(d) Common	(e) Preferred	
CHOICHIRO MOTOYAMA	219-04-1007	50 %	0.01%	0.00%	18,000
RYOHEI ONOE		50 %	0.01%	0.00%	18,000
		%	%	%	
		%	%	%	
		%	%	%	
2 Total compensation of officers					36,000
3 Compensation of officers claimed on Schedule A and elsewhere on return					
4 Subtract line 3 from line 2. Enter the result here and on line 12, page 1					36,000

Schedule J Tax Computation (See page 13 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563) <input type="checkbox"/>		
Important: Members of a controlled group, see instructions on page 13.			
2a	If box on line 1 is checked, enter corp's share of \$50,000, \$25,000, & \$9,925,000 taxable inc brackets (in that order):		
(1)	\$	(2)	\$
(3)	\$		
b	Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) ..	\$	
	(2) Additional 3% tax (not more than \$100,000) ..	\$	
3	Income tax. Check if a qualified personal service corporation under section 448(d)(2) (see page 13) <input type="checkbox"/>	3	0
4a	Foreign tax credit (attach Form 1118)	4a	0
4b	Possessions tax credit (attach Form 5735)	4b	
c	Check: <input type="checkbox"/> Nonconventional source fuel credit		
	<input type="checkbox"/> QEV credit (attach Form 8834)	4c	
d	General business credit. Enter here & check which forms are attached: <input type="checkbox"/> 3800		
	<input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826		
	<input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847 <input type="checkbox"/> 8861	4d	
e	Credit for prior year minimum tax (attach Form 8827)	4e	
5	Total credits. Add lines 4a through 4e	5	
6	Subtract line 5 from line 3	6	
7	Personal holding company tax (attach Schedule PH (Form 1120))	7	
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	8	
9	Alternative minimum tax (attach Form 4626)	9	
10	Add lines 6 through 9	10	
11	Qualified zone academy bond credit (attach Form 8860)	11	
12	Total tax. Subtract line 11 from line 10. Enter here & on line 31, page 1	12	0

Schedule K Other Information (See page 15 of instructions.)

	Yes	No		Yes	No
1	Check method of accounting:		7	Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)	
a	<input type="checkbox"/> Cash	b <input checked="" type="checkbox"/> Accrual			X
c	<input type="checkbox"/> Other (specify) ▶			If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶	
2	See page 17 of the instructions and state the principal:		8	At any time during the 1998 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country?	
a	Business activity code no. (NEW) ▶ 448150				X
b	Business activity ▶ SALES			If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ▶	
c	Product or service ▶ APPAREL & ACCES		9	During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust?	
3	At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).)				X
	If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		10	At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"	
					X
4	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?		a	Enter percentage owned ▶ 49.99%	
	If "Yes," enter employer identification number and name of the parent corporation ▶		b	Enter owner's country ▶ JAPAN	
			c	The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶ 3	
5	At the end of the tax year, did any individual, partnership, corporation, estate or trust own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)		11	Check this box if the corporation issued publicly offered debt instruments with original issue discount	
	If "Yes," attach a schedule showing name and identifying no. (Do not include any information already entered in 4 above.) Enter percentage owned ▶			<input type="checkbox"/>	
			12	Enter the amount of tax-exempt interest received or accrued during the tax year	
6	During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.)			▶ \$	
	If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		13	If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ 5	
			14	If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here	
				<input checked="" type="checkbox"/>	
			15	Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.) ▶ \$	

Schedule L Balance Sheets per Books		Beginning of tax year		End of tax year	
Assets		(a)	(b)	(c)	(d)
1	Cash		931,217		522,536
2a	Trade notes and accounts receivable	70,945		19,273	
b	Less allowance for bad debts	()	70,945	()	19,273
3	Inventories		538,837		439,735
4	U.S. government obligations				
5	Tax-exempt securities (see instructions)				
6	Other current assets (attach sch.) SEE ST...6		2,442,174		3,219,219
7	Loans to stockholders				
8	Mortgage and real estate loans				
9	Other investments (attach sch.)				
10a	Buildings and other depreciable assets	568,448		567,025	
b	Less accumulated depreciation	(126,001)	442,447	(204,478)	362,547
11a	Depletable assets				
b	Less accumulated depletion	()		()	
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization	()		()	
14	Other assets (attach schedule) SEE ST...7		1,071,305		917,305
15	Total assets		5,496,925		5,480,615
Liabilities and Stockholders' Equity					
16	Accounts payable		78,083		346,686
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach sch.) SEE ST...8		100,382		78,094
19	Loans from stockholders				
20	Mortgages, notes, bonds payable in 1 year or more				
21	Other liabilities (attach sch.)				
22	Capital stock: a Preferred stock				
b	Common stock	200,040	200,040	200,040	200,040
23	Additional paid-in capital				
24	Retained earnings - Appropriated				
25	Retained earnings - Unappropriated		5,118,420		4,855,795
26	Adjustments to shareholder's equity				
27	Less cost of treasury stock		()		()
28	Total liabilities and stockholders' equity		5,496,925		5,480,615

Note: You are not required to complete Schedules M-1 and M-2 below if the total assets on line 15, column (d) of Schedule L are less than \$25,000.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return (See page 16 of instructions.)			
1	Net income (loss) per books	-262,625	7 Income recorded on books this year not included on this return (itemize):
2	Federal income tax		a Tax-exempt interest \$
3	Excess of capital losses over capital gains		STMT 10 134,516 134,516
4	Income subject to tax not recorded on books this year (itemize):		b Deductions on this return not charged against book income this year (itemize):
5	Expenses recorded on books this year not deducted on this return (itemize):		a Depreciation \$
a	Depreciation \$ 81,124		b Contrib carryover \$
b	Contributions carryover \$ 100		STMT 11 21,415 21,415
c	Travel and entertainment ... \$ 2,850		9 Add lines 7 and 8
STATEMENT 9	31,200	115,274	10 Income (line 28, pg. 1) - line 6 less line 9
6	Add lines 1 through 5	-147,351	-303,282

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)			
1	Balance at beginning of year	5,118,420	5 Distributions: a Cash
2	Net income (loss) per books	-262,625	b Stock
3	Other increases (itemize):		c Property
			6 Other decreases (itemize):
			7 Add lines 5 and 6
4	Add lines 1, 2, and 3	4,855,795	8 Balance at end of year (line 4 less line 7) .
			4,855,795

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts
Under Sections 179 and 280F(b)(2))
▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

1998

Attachment
Sequence No. **27**

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Identifying number
98-0018893

- 1 Enter here the gross proceeds from the sale or exchange of real estate reported to you for 1998 on Form(s) 1099-S (or a substitute statement) that you will be including on line 2, 10, or 20 **1**

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Property Held More Than 1 Year

(a) Desc. of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) GAIN or LOSS Subtract (f) from the sum of (d) and (e)	(h) 28% RATE GAIN or (LOSS) * (see inst. below)
SEE STATEMENT	13					-37,346	

- 3 Gain, if any, from Form 4684, line 39 **3**
4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 **4**
5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 **5**
6 Gain, if any, from line 32, from other than casualty or theft **6**

- 7 Combine lines 2 through 6 in columns (g) and (h). Enter gain or (loss) here, and on the appropriate line as follows:

Partnerships - Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 6. Skip lines 8, 9, 11, and 12 below.

S corporations - Report the gain or (loss) following the instructions for Form 1120S, Schedule K, lines 5 and 6. Skip lines 8, 9, 11, and 12 below, unless line 7, column (g) is a gain and the S corporation is subject to the capital gains tax.

All others - If line 7, column (g) is zero or a loss, enter that amount on line 11 below and skip lines 8 and 9. If line 7, column (g) is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain (loss) in each column as a long-term capital gain or (loss) on Schedule D and skip lines 8, 9, and 12 below.

- 8 Nonrecaptured net section 1231 losses from prior years (see instructions) **8**

- 9 Subtract line 8 from line 7. For column (g) only, if the result is zero or less, enter -0-. Enter here and on the appropriate line(s) as follows (see instructions): **9** **0**

S corporations - Enter only the gain in column (g) on Schedule D (Form 1120S), line 14 and skip lines 11 and 12 below.

All others - If line 9, column (g) is zero, enter the gain from line 7, column (g) on line 12 below. If line 9, column (g) is more than zero, enter the amount from line 8, column (g) on line 12 below, and enter the gain or (loss) in each column of line 9 as a long-term capital gain or (loss) on Schedule D.

* Corporations (other than S corporation) should not complete column (h). Partnerships and S corporations must complete column (h). All others must complete column (h) only if line 7, column (g), is a gain. Use column (h) only to report pre-1998 28% rate gain (or loss) from a 1997-98 fiscal year partnership or S corporation.

Part II Ordinary Gains and Losses

- 10 Ordinary gains and losses not included on lines 11 through 17 (include property held 1 year or less):

LEASEHOLD IMPROVEMENTS					
	4/30/99	4/30/99		8,930	-8,930

- 11 Loss, if any, from line 7, column (g) **11** **-37,346**
12 Gain, if any, from line 7, column (g) or amount from line 8, column (g) if applicable **12**
13 Gain, if any, from line 31 **13**
14 Net gain or (loss) from Form 4684, lines 31 and 38a **14**
15 Ordinary gain from installment sales from Form 6252, line 25 or 36 **15**
16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 **16**

- 17 Recapture of section 179 expense deduction for partners and S corporation shareholders from property dispositions by partnerships and S corporations (see instructions) **17**

- 18 Combine lines 10 through 17 in column (g). Enter gain or (loss) here, and on the appropriate line as follows: **18** **-46,276**

a For all except individual returns: Enter the gain or (loss) from line 18 on the return being filed.

b For individual returns:

- (1) If the loss on line 11 includes a loss from Form 4684, line 35, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 27, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 22. Identify as from "Form 4797, line 18b(1)." See instructions **18b(1)**

- (2) Redetermine the gain or (loss) on line 18, excluding the loss, if any, on line 18b(1). Enter here and on Form 1040, line 14 **18b(2)**

(Including Information on Listed Property)

1998

Attach. Seq. No. 67

See separate instructions.

Attach this form to your return.

Name(s) shown on return SUN MOTOYAMA INT'L GUAM, INC.	Business or activity to which this form relates SALES	Identifying number 98-0018893
----------------------------------------------------------	----------------------------------------------------------	----------------------------------

Part I Election To Expense Certain Tangible Property (Section 179)
complete Part V before you complete Part I.

(NOTE: If you have any "Listed Property,"

1	Maximum dollar limitation. If an enterprise zone business, see page 2 of the instructions	1	18500.00
2	Total cost of section 179 property placed in service. See page 2 of the instructions	2	20767.50
3	Threshold cost of section 179 property before reduction in limitation	3	200000.00
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	0.00
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see page 2 of the instructions	5	18500.00
(a) Description of property		(b) Cost (business use only)	(c) Elected cost
6		0.00	0.00
		0.00	0.00
7	Listed property. Enter amount from line 27	7	0.00
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	0.00
9	Tentative deduction. Enter the smaller of line 5 or line 8	9	0.00
10	Carryover of disallowed deduction from 1997. See page 3 of the instructions	10	0.00
11	Business income limitation. Enter the smaller of business income or line 5 (see instructions)	11	18500.00
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	0.00
13	Carryover of disallowed deduction to 1999. Add lines 9 and 10, less line 12	13	0.00

Note: Do not use Part II or Part III below for listed property (automobiles, certain other vehicles, cellular telephones, certain computers, or property used for entertainment, recreation, or amusement). Instead, use Part V for listed property.

Part II MACRS Depreciation For Assets Placed in Service ONLY During Your 1998 Tax Year
(Do Not Include Listed Property.)**Section A - General Asset Account Election**

- 14 If you are making the election under section 168(i)(4) to group any assets placed in service during the tax year into one or more general asset accounts, check this box. See page 3 of the instructions ☐

Section B - General Depreciation System (GDS) (See page 3 of the instructions.)

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
15 a 3-year property		0.00	3.0 yrs	HY	200DB	0.00
b 5-year property		20767.50	5.0 yrs	HY	200DB	4153.50
c 7-year property		0.00	7.0 yrs	HY	200DB	0.00
d 10-year property		0.00	10.0 yrs	HY	200DB	0.00
e 15-year property		0.00	15.0 yrs	HY	150DB	0.00
f 20-year property		0.00	20.0 yrs	HY	150DB	0.00
g 25-year property		0.00	25.0 yrs	HY	S/L	0.00
h Residential rental property		0.00	27.5 yrs	MM	S/L	0.00
		0.00	27.5 yrs	MM	S/L	0.00
i Nonresidential real property	(attachment)	27394.50	39.0 yrs	MM	S/L	355.08
		0.00				0.00

Section C - Alternative Depreciation System (ADS) (See page 5 of the instructions.)

16 a Class life		0.00			S/L	0.00
b 12-year		0.00	12.0 yrs		S/L	0.00
c 40-year		0.00	40.0 yrs	MM	S/L	0.00

Part III Other Depreciation (Do Not Include Listed Property) (See page 6 of the instructions.)

17 GDS and ADS deductions for assets placed in service in tax years beginning before 1998	17	12242.77
18 Property subject to section 168(f)(1) election	18	0.00
19 ACRS and other depreciation	19	0.00

Part IV Summary (See page 6 of the instructions.)

20 Listed property. Enter amount from line 26	20	1418.69
21 Total. Add deductions on line 12, lines 15 and 16 in column (g), and lines 17 through 20. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	21	18170.04
22 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	22	0.00

Part V Listed Property--Automobiles, Certain Other Vehicles, Cellular Telephones, Certain Computers, and Property Used for Entertainment, Recreation, or Amusement

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 23a, 23b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A--Depreciation and Other Information (Caution: See page 8 of the instructions for limits for passenger automobiles.)

23a Do you have evidence to support the business use claimed? ☐ Yes ☐ No **23b** If "Yes," is the evidence written? ☐ Yes ☐ No

(a) Type of property	(b) Placed in service	(c) Bus. use %	(d) Cost or other basis	(e) Basis for depreciation	(f) Recovery period	(g) Method/Convention	(h) Depreciation deduction	(i) Elected section 179 cost
24 Property used more than 50% in a qualified business use (See page 7 of the instructions.):								
			0.00	0.00			0.00	0.00
			0.00	0.00			0.00	0.00
(attachment)			30388.00	8329.00			1418.69	0.00
25 Property used 50% or less in a qualified business use (See page 7 of the instructions.):								
			0.00	0.00			0.00	
			0.00	0.00			0.00	
			0.00	0.00			0.00	
26 Add amounts in column (h). Enter the total here and on line 20, page 1							1418.69	
27 Add amounts in column (i). Enter the total here and on line 7, page 1								0.00

Section B--Information on Use of Vehicles

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
28 Total business/investment miles driven during the year (DO NOT include commuting miles)												
29 Total commuting miles driven during the year												
30 Total other personal (noncommuting) miles driven												
31 Total miles driven during the year. Add lines 28 through 30												
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
32 Was the vehicle available for personal use during off-duty hours?												
33 Was the vehicle used primarily by a more than 5% owner or related person?												
34 Is another vehicle available for personal use?												

Section C--Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons.

	Yes	No
35 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
36 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See page 9 of the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
37 Do you treat all use of vehicles by employees as personal use?		
38 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
39 Do you meet the requirements concerning qualified automobile demonstration use? See page 9 of instructions		
Note: If your answer to 35, 36, 37, 38, or 39 is "Yes," you need not complete Section B for the covered vehicles.		

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Period or Pct	(f) Amortization for this year
40 Amortization of costs that begins during your 1998 tax year:					
		0.00			0.00
		0.00			0.00
41 Amortization of costs that began before 1998				41	3906.03
42 Total. Enter here and on "Other Deductions" or "Other Expenses" line of your return				42	3906.03

KGA

Depreciation and Amortization
Attachment

15 General Depreciation System (GDS):

(a) Classification of property	(b) Date	(c) Basis for depreciation	(d) Rec period	(e) Con- vention	(f) Method	(g) Depreciation deduction
i Nonresidential	04/30/1999	8930.50	39	MM	S/L	0
i Nonresidential	01/14/1999	18464.00	39	MM	S/L	355
		----- 27394 =====				----- 355 =====

Depreciation and Amortization Attachment

24 Property used more than 50% in a qualified business use:

(a)Type of property	(b)Placed in service	(c)Bus use %	(d)Cost or other Basis	(e)Basis for depreciation	(f)Recov period	(g)Method/ Convention	(h)Depreciation deduction	(i)Elected 179 cost
COMPAQ	01/01/97	100	1120.00	1120.00	05 00	MF200	215	0.00
COMPAQ COM	12/18/96	100	6343.00	3564.00	05 00	MF200	684	0.00
CPU BACK-U	03/01/97	100	1295.00	1295.00	05 00	MF200	249	0.00
EPSON CPU	06/29/94	100	1875.00	0.00	05 00	MF200	0	0.00
EPSON PRIN	01/12/94	100	800.00	0.00	05 00	MF200	0	0.00
NEC READY	06/29/94	100	450.00	0.00	05 00	MF200	0	0.00
OTHER - EP	01/26/96	100	1500.00	0.00	05 00	MF200	0	0.00
OTHER - HP	02/27/96	100	7190.00	0.00	05 00	MF200	0	0.00
OTHER - HP	04/26/96	100	3155.00	645.00	05 00	MF200	74	0.00
OTHER - HP	01/26/96	100	1750.00	0.00	05 00	MF200	0	0.00
OTHER - HP	07/29/96	100	1705.00	1705.00	05 00	MF200	196	0.00
TOSHIBA MU	11/01/97	100	3205.00	0.00	05 00	MF200	0	0.00
			-----	-----			-----	-----
			30388	8329			1419	0
			=====	=====			=====	=====

(Rev. January 1999)

Internal Revenue Service
Department of the Treasury

▶ Attach to the corporation's tax return.

For calendar year

, or other tax year beginning

8/01, 1998, and ending

7/31, 1999

Name of corporation

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Employer identification number

98-0018893

Complete this form for credit for credit for taxes paid on the categories of income listed below. See page 2 of the instructions for descriptions. Also, see Specific Instructions on page 5.
Important: Complete a SEPARATE Form 1118 for each applicable income category. Check only one box on each form.

- ☒ Passive Income
- ☐ High Withholding Tax Interest
- ☐ Financial Services Income
- ☐ Shipping Income
- ☐ Dividends from a DISC or Former DISC
- ☐ Taxable Income Attributable To Foreign Trade Income
- ☐ Certain Distributions From a FSC or Former FSC
- ☐ Dividends From Each Noncontrolled Section 802 Corporation:
- ☐ General Limitation Income
- ☐ Section 901(g) Income: Name of Sanctioned Country ▶
- ☐ Income Re-sourced by Treaty: Name of Country ▶

Name of Foreign Corporation ▶

Country of Incorporation ▶

Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See Specific Instructions on page 5.)

1. Foreign Country or U.S. Possession (Enter two-letter code from page 11 of inst.). Use a separate line for each.*	2. Deemed Dividends (see inst.)				3. Other Dividends		4. Interest	5. Gross Rents, Royalties, and License Fees	6. Gross Income From Performance of Services	7. Other (attach schedule)	8. Total (add columns 2a through 7)
	(a) Exclude gross-up	(b) Gross-up (sec. 78)	(a) Exclude gross-up	(b) Gross-up (sec. 78)	(a) Exclude gross-up	(b) Gross-up (sec. 78)					
A	GQ						154,378				154,378
B											
C											
D											
E											
F											
G											
Totals (add lines A thru G)							154,378				154,378

* For section 863(b) income, use a single line and enter "863(b)".

Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)

9. Definitely Allocable Deductions					10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule F, Part II, column (d))	11. Total Deductions (add columns 9(e) and 10)	12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)
Rental, Royalty, and Licensing Expenses	(a) Depreciation, Depletion, and Amortization	(b) Other Expenses	(c) Expenses Related to Gross Income From Performance of Services	(d) Other Definitely Allocable Deductions	(e) Total Definitely Allocable Deductions (add columns 9a through 9d)		
A							154,378
B							
C							
D							
E							
F							
G							
Tot.							154,378

KFA For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 1118 (Rev. 1-99)

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)**Part I - Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of instructions.)**

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)						3. Tax Deemed Paid (from Schedule C - Part I, column 10, Part II, column 8(b), and Part III, column 8)		
<input checked="" type="checkbox"/> Paid	<input type="checkbox"/> Accrued	Tax Withheld at Source on:						(n) Total Foreign Taxes Paid or Accrued (add columns 2a through 2g)		
Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 863(b) Income	(e) Foreign Branch Income	(f) Services Income		(g) Other	
A	VARIOUS		20,627						20,627	
B										
C										
D										
E										
F										
G										
Totals (add lines A through G)			20,627						20,627	

Part II - Separate Credit Limitation (Complete a separate Part II for each applicable category of income.)

1	Total foreign taxes paid or accrued (total from Part I, column 2(f))	20,627	
2	Total taxes deemed paid (total from Part I, column 3)		
3	Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)	()	
4	Total carryover of foreign taxes (attach schedule showing computation in detail - see page 6 of the instructions)		
5	Total foreign taxes (combine lines 1 through 4)	20,627	
6	Enter the amount from the applicable column of Schedule J, Part I, line 11. (See instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A		154,378
7a	Total taxable income from all sources (enter taxable income from the corporation's tax return)	-303,282	
b	Adjustments to line 7a. (See page 6 of instructions.)		-303,282
c	Subtract line 7b from line 7a		-303,282
8	Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1		
9	Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 836 or 30A)		
10	Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)		
11	Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)		

Part III - Summary of Separate Credit Limitations (Enter amounts from Part I, line 11 for each applicable income category. Do not complete for section 901(f) income.)

1	Credit for taxes on passive income	
2	Credit for taxes on high withholding tax interest	
3	Credit for taxes on financial services income	
4	Credit for taxes on shipping income	
5	Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)	
6	Credit for taxes on dividends from a DISC or former DISC	
7	Credit for taxes on taxable income attributable to foreign trade income	
8	Credit for taxes on certain distributions from a FSC or former FSC	
9	Credit for taxes on General Limitation Income	
10	Credit for taxes on income re-sourced by treaty (combine all such credits on this line)	
11	Total (add lines 1 through 10)	
12	Reduction in credit for international boycott operations (see page 6 of instructions)	
13	Total foreign tax credit (subtract line 12 from line 11). Enter here and on the appropriate line of the corporation's tax return	

ALTERNATIVE MINIMUM TAX

Form 1118

Foreign Tax Credit - Corporations

OMB No. 1545-0122

(Rev. January 1999)

▶ Attach to the corporation's tax return.

Internal Revenue Service
Department of the Treasury

For calendar year

, or other tax year beginning

8/01, 1998, and ending

7/31, 1999

Name of corporation

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Employer identification number

98-0018893

Complete this form for credit for taxes paid on the categories of income listed below. See page 2 of the instructions for descriptions. Also, see Specific Instructions on page 5.
Important: Complete a SEPARATE Form 1118 for each applicable income category. Check only one box on each form.

- ☒ Passive Income
☐ High Withholding Tax Interest
☐ Financial Services Income
☐ Shipping Income

- ☐ Dividends from a DISC or Former DISC
☐ Taxable Income Attributable To Foreign Trade Income
☐ Certain Distributions From a FSC or Former FSC
☐ Dividends From Each Noncontrolled Section 902 Corporation:

- ☐ General Limitation Income
☐ Section 901(j) Income: Name of Sanctioned Country ▶
☐ Income Re-sourced by Treaty: Name of Country ▶

Name of Foreign Corporation ▶

Country of Incorporation ▶

Schedule A Income or (Loss) Before Adjustments (Report all amounts in U.S. dollars. See Specific Instructions on page 5.)

1. Foreign Country or U.S. Possession (Enter two-letter code from page 11 of instr.) Use a separate line for each.*	2. Deemed Dividends (see instr.)		3. Other Dividends		4. Interest	5. Gross Rents, Royalties, and License Fees	6. Gross Income From Performance of Services	7. Other (attach schedule)	8. Total (add columns 2a through 7)
	(a) Exclude gross-up	(b) Gross-up (sec. 78)	(a) Exclude gross-up	(b) Gross-up (sec. 78)					
A	GQ				154,378				154,378
B									
C									
D									
E									
F									
G									
Totals (add lines A thru G)					154,378				154,378

* For section 863(b) income, use a single line and enter "863(b)".

Deductions (INCLUDE Foreign Branch Deductions here and on Schedule F)

9. Definitely Allocable Deductions					10. Apportioned Share of Deductions Not Definitely Allocable (enter amount from applicable line of Schedule H, Part II, column (d))	11. Total Deductions (add columns 9(e) and 10)	12. Total Income or (Loss) Before Adjustments (subtract column 11 from column 8)
Rental, Royalty, and Licensing Expenses	(a) Depreciation, Depletion, and Amortization	(b) Other Expenses	(c) Expenses Related to Gross Income From Performance of Services	(d) Other Definitely Allocable Deductions			
				(e) Total Definitely Allocable Deductions (add columns 9a through 9d)			
A							154,378
B							
C							
D							
E							
F							
G							
Tot							154,378

KFA For Paperwork Reduction Act Notice, see page 1 of the instructions.

Form 1118 (Rev. 1-99)

ALTERNATIVE MINIMUM TAX

Form 1118 (Rev. 1-99) **SUN MOTOTYAMA INTERNATIONAL GUAM, INC. 98-0018893**

Page 2

Schedule B Foreign Tax Credit (Report all foreign tax amounts in U.S. dollars.)

Part I - Foreign Taxes Paid, Accrued, and Deemed Paid (See page 5 of instructions.)

1. Credit is Claimed for Taxes:		2. Foreign Taxes Paid or Accrued (attach schedule showing amounts in foreign currency and conversion rate(s) used)						3. Tax Deemed Paid (from Schedule C - Part I, column 10, Part II, column 8(b), and Part III, column 8)	
<input checked="" type="checkbox"/> Paid	<input type="checkbox"/> Accrued	Tax Withheld at Source on:							
Date Paid	Date Accrued	(a) Dividends	(b) Interest	(c) Rents, Royalties, and License Fees	(d) Section 853(b) Income	(e) Foreign Branch Income	(f) Services Income	(g) Other	(g) Total Foreign Taxes Paid or Accrued (add columns 2a through 2g)
A	VARIOUS		20,627						20,627
B									
C									
D									
E									
F									
G									
Totals (add lines A through G)			20,627						20,627

Part II - Separate Credit Limitation (Complete a separate Part II for each applicable category of income.)

1	Total foreign taxes paid or accrued (total from Part I, column 2(h))	20,627	
2	Total taxes deemed paid (total from Part I, column 3)		
3	Reductions of taxes paid, accrued, or deemed paid (enter total from Schedule G)	()	
4	Total carryover of foreign taxes (attach schedule showing computation in detail - see page 6 of the instructions) SEE STATEMENT 14	4,763	
5	Total foreign taxes (combine lines 1 through 4)		25,390
6	Enter the amount from the applicable column of Schedule J, Part I, line 11. (See instructions.) If Schedule J is not required to be completed, enter the result from the "Totals" line of column 12 of the applicable Schedule A		154,378
7a	Total taxable income from all sources (enter taxable income from the corporation's tax return)	-305,774	
b	Adjustments to line 7a. (See page 6 of instructions.)		
c	Subtract line 7b from line 7a		-305,774
8	Divide line 6 by line 7c. Enter the resulting fraction as a decimal. (See instructions.) If line 6 is greater than line 7c, enter 1		
9	Total U.S. income tax against which credit is allowed (regular tax liability (see section 26(b)) minus possessions tax credit determined under section 936 or 30A)		
10	Credit limitation (multiply line 8 by line 9). (See page 6 of instructions.)		
11	Separate foreign tax credit (enter the smaller of line 5 or line 10 here and on the appropriate line of Part III)		

Part III - Summary of Separate Credit Limitations (Enter amounts from Part I, line 11 for each applicable income category. Do not complete for section 901(f) income.)

1	Credit for taxes on passive income	
2	Credit for taxes on high withholding tax interest	
3	Credit for taxes on financial services income	
4	Credit for taxes on shipping income	
5	Credit for taxes on dividends from each noncontrolled section 902 corporation (combine all such credits on this line)	
6	Credit for taxes on dividends from a DISC or former DISC	
7	Credit for taxes on taxable income attributable to foreign trade income	
8	Credit for taxes on certain distributions from a FSC or former FSC	
9	Credit for taxes on General Limitation Income	
10	Credit for taxes on income re-sourced by treaty (combine all such credits on this line)	
11	Total (add lines 1 through 10)	
12	Reduction in credit for international boycott operations (see page 6 of instructions)	
13	Total foreign tax credit (subtract line 12 from line 11). Enter here and on the appropriate line of the corporation's tax return	

Alternative Minimum Tax - Corporations

OMB No. 1545-0175

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
▶ Attach to the corporation's tax return.

1998

Name

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Employer identification number

98-0018893

1	Taxable income or (loss) before net operating loss deduction.	1	-303,282
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	-1,838
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss SEE STATEMENT 12	2e	-64
f	Long-term contracts	2f	
g	Installment sales	2g	
h	Merchant marine capital construction funds	2h	
i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i	
j	Tax shelter farm activities (personal service corporations only)	2j	
k	Passive activities (closely held corporations and personal service corporations only)	2k	
l	Loss limitations	2l	
m	Depletion	2m	
n	Tax-exempt interest from specified private activity bonds	2n	
o	Intangible drilling costs	2o	
p	Accelerated depreciation of real property (pre-1987)	2p	
q	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2q	
r	Other adjustments	2r	
s	Combine lines 2a through 2r	2s	-1,902
3	Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2s	3	-305,184
4	Adjusted current earnings (ACE) adjustment:		
a	Enter the corporation's ACE from line 10 of the worksheet on page 11 of the instructions	4a	-305,971
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 5 of the instructions)	4b	-787
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	590
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	17,537
e	ACE adjustment:		
	• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.	4e	-590
	• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax	5	-305,774
6	Alternative tax net operating loss deduction (see page 6 of the instructions)	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5 If the corporation held a residual interest in a REMIC, see page 6 of the instructions	7	-305,774

For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1998)

8	Enter the amount from line 7 (alternative minimum taxable income)	8	-305,774
9	Exemption phase-out computation (If line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0-	9a	0
b	Multiply line 9a by 25% (.25)	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 7 of the instructions). If zero or less, enter -0-	9c	0
10	Subtract line 9c from line 8. If zero or less, enter -0-	10	0
11	Multiply line 10 by 20% (.20)	11	
12	Alternative minimum tax foreign tax credit. See page 7 of the instructions	12	
13	Tentative minimum tax. Subtract line 12 from line 11	13	0
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit	14	0
15	Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0-	15	0

Adjusted Current Earnings Worksheet

▶ See ACE Worksheet Instructions (which begin on page 6).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626	1	-305,184
2	ACE depreciation adjustment:		
a	AMT depreciation	2a	20,008
b	ACE depreciation:		
	(1) Post-1993 property	2b(1)	16,496
	(2) Post-1989, pre-1994 property	2b(2)	3,121
	(3) Pre-1990 MACRS property	2b(3)	1,178
	(4) Pre-1990 original ACRS property	2b(4)	
	(5) Property described in sections 168(f)(1) through (4)	2b(5)	
	(6) Other property	2b(6)	
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	20,795
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a	2c	-787
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income	3a	
b	Death benefits from life insurance contracts	3b	
c	All other distributions from life insurance contracts (including surrenders)	3c	
d	Inside buildup of undistributed income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g) - 1(c)(6)(iii) through (ix) for a partial list)	3e	
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e	3f	0
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	
e	Other items (see Regulations sections 1.56(g) - 1(d)(3)(i) and (ii) for a partial list)	4e	
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e	4f	0
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs	5a	
b	Circulation expenditures	5b	
c	Organizational expenditures	5c	
d	LIFO inventory adjustments	5d	
e	Installment sales	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e	5f	0
6	Disallowance of loss on exchange of debt pools	6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts	7	
8	Depletion	8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property	9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626	10	-305,971

**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business**

OMB No. 1545-0005

(Under Sections 6038A and 6038C of the Internal Revenue Code)

Department of the Treasury
Internal Revenue ServiceFor tax year of the reporting corporation beginning 8/01, 19 98, and ending 7/31, 19 99**Note:** Enter all information in the English and money items in U.S. dollars.**Part I Reporting Corporation** (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation SUN MOTOYAMA INTERNATIONAL GUAM, INC.		1b Employer identification number 98-0018893
Number, street, and room or suite no. (if a P.O. box, see instructions) P.O. BOX 8139		1c Total assets \$ 5,480,615
City, state or province, ZIP or postal code, and country TAMUNING, GU 96931		1d Principal business activity SALES
1e Total value of gross payments made or received (see instructions) \$ 713,496	1f Total number of Forms 5472 filed for the tax year 3	1g Check here if this is a consolidated filing of Form 5472 <input type="checkbox"/>
1h Country of incorporation GUAM	1i Country(ies) under whose laws the reporting corporation files an income tax return as a resident GUAM	1j Principal country(ies) where business is conducted GUAM

Part II 25% Foreign Shareholder (See instructions.)

1a Name and address of direct 25% foreign shareholder INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN		1b U.S. identifying number, if any N/A
1c Principal country(ies) where business is conducted JAPAN	1d Country of citizenship, organization, or incorporation JAPAN	1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident JAPAN
2a Name and address of direct 25% foreign shareholder SAITUREX INVEST S.A. 5 BOULEVARD ROYAL, ROYAL ROOM, L-2449 LUXEMBOURG		2b U.S. identifying number, if any N/A
2c Principal country(ies) where business is conducted LUXEMBOURG	2d Country of citizenship, organization, or incorporation LUXEMBOURG	2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident LUXEMBOURG
3a Name and address of ultimate indirect 25% foreign shareholder		3b U.S. identifying number, if any
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation	3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident
4a Name and address of ultimate indirect 25% foreign shareholder		4b U.S. identifying number, if any
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation	4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident

Part III Related Party (See instructions.)Check applicable box: Is the related party a ☒ foreign person or ☐ U.S. person?
All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN		1b U.S. identifying number, if any N/A
1d Relationship - Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input type="checkbox"/> Related to 25% foreign shareholder <input checked="" type="checkbox"/> 25% foreign shareholder		1c Principal business activity RETAIL/WHOLESALE
1e Principal country(ies) where business is conducted JAPAN	1f Country(ies) under whose laws the related party files income tax rtn. as a resident JAPAN	

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related PartyIf reasonable estimates are used, check here ☐ (See instructions.)

1 Sales of stock in trade (inventory)	1	0
2 Sales of tangible property other than stock in trade	2	0
3 Rents and royalties received (for other than intangible property rights)	3	0
4 Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	4	0
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	0
6 Commissions received	6	0
7 Amounts borrowed (see instr.) a Beginning balance <u>50,000</u> b Ending balance or monthly average	7b	317,513
8 Interest received	8	0
9 Premiums received for insurance or reinsurance	9	0
10 Other amounts received (see instructions)	10	0
11 Total. Combine amounts on lines 1 through 10	11	317,513
12 Purchases of stock in trade (inventory)	12	317,513
13 Purchases of tangible property other than stock in trade	13	0
14 Rents and royalties paid (for other than intangible property rights)	14	0
15 Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	15	0
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	0
17 Commissions paid	17	0
18 Amounts loaned (see instructions) a Beginning balance <u>12,470</u> b Ending balance or monthly average	18b	12,470
19 Interest paid	19	0
20 Premiums paid for insurance or reinsurance	20	0
21 Other amounts paid (see instructions)	21	66,000
22 Total. Combine amounts on lines 12 through 21	22	395,983

Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party(Attach separate sheet and check here. ☐) (See instructions.)**Part VI Additional Information**

All reporting corporations must complete Part VI.

1 Does the reporting corporation import goods from a foreign related party?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2a If "Yes," is the basis or inventory costs of the goods valued at greater than the customs value of the imported goods?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If "No," do not complete the rest of Part VI.	
b If "Yes," attach a statement explaining the reason or reasons for such difference.	
c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?	<input type="checkbox"/> Yes <input type="checkbox"/> No

**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business**

OMB No. 1545-0805

Department of the Treasury
Internal Revenue Service

(Under Sections 6038A and 6038C of the Internal Revenue Code)
For tax year of the reporting corporation beginning 8/01, 19 98, and ending 7/31, 19 99

Note: Enter all information in the English and money items in U.S. dollars.

Part I Reporting Corporation (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation SUN MOTOYAMA INTERNATIONAL GUAM, INC.		1b Employer identification number 98-0018893
Number, street, and room or suite no. (if a P.O. box, see instructions) P.O. BOX 8139		1c Total assets \$ 5,480,615
City, state or province, ZIP or postal code, and country TAMUNING, GU 96931		1d Principal business activity SALES
1e Total value of gross payments made or received (see instructions) \$ 1,194,374	1f Total number of Forms 5472 filed for the tax year 3	1g Check here if this is a consolidated filing of Form 5472 <input type="checkbox"/>
1h Country of incorporation GUAM	1i Country(ies) under whose laws the reporting corporation files an income tax return as a resident GUAM	1j Principal country(ies) where business is conducted GUAM

Part II 25% Foreign Shareholder (See instructions.)

1a Name and address of direct 25% foreign shareholder INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN		1b U.S. identifying number, if any N/A
1c Principal country(ies) where business is conducted JAPAN	1d Country of citizenship, organization, or incorporation JAPAN	1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident JAPAN
2a Name and address of direct 25% foreign shareholder SAITUREX INVEST S.A. 5 BOULEVARD ROYAL, ROYAL ROOM, L-2449 LUXEMBOURG		2b U.S. identifying number, if any N/A
2c Principal country(ies) where business is conducted LUXEMBOURG	2d Country of citizenship, organization, or incorporation LUXEMBOURG	2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident LUXEMBOURG
3a Name and address of ultimate indirect 25% foreign shareholder		3b U.S. identifying number, if any
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation	3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident
4a Name and address of ultimate indirect 25% foreign shareholder		4b U.S. identifying number, if any
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation	4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident

Part III Related Party (See instructions.)

Check applicable box: Is the related party a ☒ foreign person or ☐ U.S. person?
All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party MERCURY U.S.A., INC. 693 KAWAIAHAO ST., HONOLULU, HAWAII 96813		1b U.S. identifying number, if any 99-0278124
		1c Principal business activity SALES
1d Relationship - Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input checked="" type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder		
1e Principal country(ies) where business is conducted U.S.A.	1f Country(ies) under whose laws the related party files income tax rtn. as a resident U.S.A.	

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related PartyIf reasonable estimates are used, check here ☐ (See instructions.)

1 Sales of stock in trade (inventory)	1	0
2 Sales of tangible property other than stock in trade	2	0
3 Rents and royalties received (for other than intangible property rights)	3	0
4 Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	4	0
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	0
6 Commissions received	6	0
7 Amounts borrowed (see instr.) a Beginning balance b Ending balance or monthly average ▶	7b	0
8 Interest received	8	81,464
9 Premiums received for insurance or reinsurance	9	0
10 Other amounts received (see instructions)	10	0
11 Total. Combine amounts on lines 1 through 10	11	81,464
12 Purchases of stock in trade (inventory)	12	0
13 Purchases of tangible property other than stock in trade	13	0
14 Rents and royalties paid (for other than intangible property rights)	14	0
15 Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	15	0
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	0
17 Commissions paid	17	0
18 Amounts loaned (see instructions) a Beginning balance 699,256 b Ending balance or monthly average ▶	18b	1,112,910
19 Interest paid	19	0
20 Premiums paid for insurance or reinsurance	20	0
21 Other amounts paid (see instructions)	21	0
22 Total. Combine amounts on lines 12 through 21	22	1,112,910

Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party(Attach separate sheet and check here. ☐) (See instructions.)**Part VI Additional Information**

All reporting corporations must complete Part VI.

1 Does the reporting corporation import goods from a foreign related party?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2a If "Yes," is the basis or inventory costs of the goods valued at greater than the customs value of the imported goods?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
If "No," do not complete the rest of Part VI.		
b If "Yes," attach a statement explaining the reason or reasons for such difference.		
c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472?	<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Information Return of a 25% Foreign-Owned U.S. Corporation
or a Foreign Corporation Engaged in a U.S. Trade or Business**

OMB No. 1545-0805

(Under Sections 6038A and 6038C of the Internal Revenue Code)

For tax year of the reporting corporation beginning 8/01, 19 98, and ending 7/31, 19 99

Department of the Treasury
Internal Revenue Service

Note: Enter all information in the English and money items in U.S. dollars.

Part I Reporting Corporation (See instructions.) All reporting corporations must complete Part I.

1a Name of reporting corporation SUN MOTOYAMA INTERNATIONAL GUAM, INC.		1b Employer identification number 98-0018893
Number, street, and room or suite no. (if a P.O. box, see instructions) P.O. BOX 8139		1c Total assets \$ 5,480,615
City, state or province, ZIP or postal code, and country TAMUNING, GU 96931		1d Principal business activity SALES
1e Total value of gross payments made or received (see instructions) \$ 836,274	1f Total number of Forms 5472 filed for the tax year 3	1g Check here if this is a consolidated filing of Form 5472 <input type="checkbox"/>
1h Country of incorporation GUAM	1i Country(ies) under whose laws the reporting corporation files an income tax return as a resident GUAM	1j Principal country(ies) where business is conducted GUAM

Part II 25% Foreign Shareholder (See instructions.)

1a Name and address of direct 25% foreign shareholder INTERNATIONAL SUN MOTOYAMA CO., LTD. 3-6-2 RINAKAICHO EDOGAWA-KU, TOKYO, JAPAN		1b U.S. identifying number, if any N/A
1c Principal country(ies) where business is conducted JAPAN	1d Country of citizenship, organization, or incorporation JAPAN	1e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident JAPAN
2a Name and address of direct 25% foreign shareholder SAITUREX INVEST S.A. 5 BOULEVARD ROYAL, ROYAL ROOM, L-2449 LUXEMBOURG		2b U.S. identifying number, if any N/A
2c Principal country(ies) where business is conducted LUXEMBOURG	2d Country of citizenship, organization, or incorporation LUXEMBOURG	2e Country(ies) under whose laws the direct 25% foreign shareholder files an income tax return as a resident LUXEMBOURG
3a Name and address of ultimate indirect 25% foreign shareholder		3b U.S. identifying number, if any
3c Principal country(ies) where business is conducted	3d Country of citizenship, organization, or incorporation	3e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident
4a Name and address of ultimate indirect 25% foreign shareholder		4b U.S. identifying number, if any
4c Principal country(ies) where business is conducted	4d Country of citizenship, organization, or incorporation	4e Country(ies) under whose laws the ultimate indirect 25% foreign shareholder files an income tax return as a resident

Part III Related Party (See instructions.)

Check applicable box: Is the related party a ☒ foreign person or ☐ U.S. person?
All reporting corporations must complete this question and the rest of Part III.

1a Name and address of related party PLOWDEN (HONG KONG) LTD. RM 316, 3F HANKOW CENTRE, 5-15 HANKOW RD, T.S.T., KOWLOON		1b U.S. identifying number, if any N/A
		1c Principal business activity SALES
1d Relationship - Check boxes that apply: <input type="checkbox"/> Related to reporting corporation <input checked="" type="checkbox"/> Related to 25% foreign shareholder <input type="checkbox"/> 25% foreign shareholder		
1e Principal country(ies) where business is conducted HONG KONG	1f Country(ies) under whose laws the related party files income tax rtn. as a resident HONG KONG	

Part IV Monetary Transactions Between Reporting Corporations and Foreign Related PartyIf reasonable estimates are used, check here ☐ (See instructions.)

1 Sales of stock in trade (inventory)	1	0
2 Sales of tangible property other than stock in trade	2	0
3 Rents and royalties received (for other than intangible property rights)	3	0
4 Sales, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	4	0
5 Consideration received for technical, managerial, engineering, construction, scientific, or like services	5	0
6 Commissions received	6	0
7 Amounts borrowed (see instr.) a Beginning balance _____ b Ending balance or monthly average ▶	7b	0
8 Interest received	8	73,524
9 Premiums received for insurance or reinsurance	9	0
10 Other amounts received (see instructions)	10	0
11 Total. Combine amounts on lines 1 through 10	11	73,524
12 Purchases of stock in trade (inventory)	12	0
13 Purchases of tangible property other than stock in trade	13	0
14 Rents and royalties paid (for other than intangible property rights)	14	0
15 Purchases, leases, licenses, etc., of intangible property rights (e.g., patents, trademarks, secret formulas)	15	0
16 Consideration paid for technical, managerial, engineering, construction, scientific, or like services	16	0
17 Commissions paid	17	0
18 Amounts loaned (see instructions) a Beginning balance <u>1,521,541</u> b Ending balance or monthly average ▶	18b	762,750
19 Interest paid	19	0
20 Premiums paid for insurance or reinsurance	20	0
21 Other amounts paid (see instructions)	21	0
22 Total. Combine amounts on lines 12 through 21	22	762,750

Part V Describe All Nonmonetary and Less-Than-Full Consideration Transactions Between the Reporting Corporation and the Foreign Related Party(Attach separate sheet and check here. ☐) (See instructions.)**Part VI Additional Information**

All reporting corporations must complete Part VI.

- 1 Does the reporting corporation import goods from a foreign related party? ☐ Yes ☒ No
- 2a If "Yes," is the basis or inventory costs of the goods valued at greater than the customs value of the imported goods? ☐ Yes ☐ No
If "No," do not complete the rest of Part VI.
- b If "Yes," attach a statement explaining the reason or reasons for such difference.
- c If the answers to questions 1 and 2a are "Yes," were the documents used to support this treatment of the imported goods in existence and available in the United States at the time of filing Form 5472? ☐ Yes ☐ No

CLIENT 36117

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 1
FORM 1120, LINE 5
INTEREST INCOME**

INTEREST INCOME	\$	256,176
TOTAL	\$	<u>256,176</u>

**STATEMENT 2
FORM 1120, LINE 10
OTHER INCOME**

FOREIGN EXCHANGE GAIN	\$	20,226
OTHER INCOME		<u>47,110</u>
TOTAL	\$	<u>67,336</u>

**STATEMENT 3
FORM 1120, LINE 17
TAXES AND LICENSES**

FICA	\$	29,628
GRT		<u>54,036</u>
OTHER TAXES		<u>536</u>
TOTAL	\$	<u>84,200</u>

**STATEMENT 4
FORM 1120, LINE 19
CHARITABLE CONTRIBUTIONS**

DONATIONS	\$	100
DISALLOWED CONTRIBUTIONS DUE TO 10% LIMIT		<u>-100</u>
TOTAL	\$	<u>0</u>

**STATEMENT 5
FORM 1120, LINE 26
OTHER DEDUCTIONS**

AMORTIZATION	\$	3,906
BANK CHARGES		<u>23,263</u>
COMMUNICATIONS		<u>17,680</u>
DUES AND SUBSCRIPTIONS		<u>7,279</u>
INSURANCE		<u>62,487</u>
LEGAL AND PROFESSIONAL		<u>24,094</u>
MEALS, ENTERTAINMENT, CERTAIN TRAVEL		<u>2,850</u>
MISCELLANEOUS		<u>13,264</u>
OFFICE EXPENSE		<u>29,399</u>
OUTSIDE SERVICES		<u>15,200</u>

CLIENT 36117

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 5 (CONTINUED)
FORM 1120, LINE 26
OTHER DEDUCTIONS

POSTAGE	3,213
SUPPLIES	24,565
TRANSPORTATION	16,006
TRAVEL	34,103
UTILITIES	12,198
TOTAL \$	<u>289,507</u>

STATEMENT 6
FORM 1120, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	BEGINNING	ENDING
GUAM INCOME TAX RECEIVABLE	\$ 322,000	\$ 381,143
INTEREST RECEIVABLE	0	25,660
NOTE RECEIVABLE - CURRENT	199,256	0
NOTES RECEIVABLE - SHORT TERM	1,000,000	1,100,000
OTHER ASSETS HELD FOR RESALE	0	317,513
PREPAID EXPENSES	181,762	81,042
TIME CERTIFICATE OF DEPOSIT	739,156	1,313,861
TOTAL	<u>\$ 2,442,174</u>	<u>\$ 3,219,219</u>

STATEMENT 7
FORM 1120, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
DEFERRED TAX ASSET	\$ 33,000	\$ 129,000
NOTES RECEIVABLE - LONG TERM	1,000,000	750,000
RENTAL DEPOSITS	38,305	38,305
TOTAL	<u>\$ 1,071,305</u>	<u>\$ 917,305</u>

STATEMENT 8
FORM 1120, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
FICA TAX PAYABLE	\$ 1,106	\$ 8,802
GROSS RECEIPTS TAX	5,057	4,648
RETIREMENT PLAN PAYABLE	0	24,920
SALARIES PAYABLE	90,936	34,668
WITHHOLDING TAX PAYABLE	3,283	5,056
TOTAL	<u>\$ 100,382</u>	<u>\$ 78,094</u>

1998

FEDERAL STATEMENTS

PAGE 3

CLIENT 36117

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 9
FORM 1120, SCHEDULE M-1, LINE 5
BOOK EXPENSES NOT DEDUCTED

ACCRUED BONUS NOT PAID AS OF 10/15/99	\$	30,000
CLUB MEMBERSHIP		1,200
TOTAL	\$	<u>31,200</u>

STATEMENT 10
FORM 1120, SCHEDULE M-1, LINE 7
BOOK INCOME NOT ON RETURN

GUAM INCOME TAX BENEFIT	\$	134,516
TOTAL	\$	<u>134,516</u>

STATEMENT 11
FORM 1120, SCHEDULE M-1, LINE 8
DEDUCTIONS NOT ON BOOKS

AMORTIZATION	\$	3,906
SALE OF ASSETS ADJUSTMENT		17,509
TOTAL	\$	<u>21,415</u>

STATEMENT 12
FORM 4626, LINE 2E
ADJUSTED GAIN OR LOSS

DESCRIPTION OF PROPERTY	DATE ACQUIRED	DATE SOLD	REG TAX ADJUSTED BASIS	AMT ADJUSTED BASIS	ADJUST- MENT
LEASEHOLD IMPROVEMENTS	VARIOUS	4/30/99	37,346	37,410	-64
					<u>\$ -64</u>

STATEMENT 13
FORM 4797
PART I - SALES OR EXCHANGES OF CERTAIN PROPERTY HELD MORE THAN ONE YEAR

DESCRIPTION OF PROPERTY	DATE ACQD.	DATE SOLD	SALES PRICE	DEPR. ALLOWED	COST OR BASIS	GAIN OR LOSS
CARPET	8/06/93	8/01/98		1,573	1,573\$	0
OFFICE CABINET	8/19/93	8/01/98		499	499	0
LEASEHOLD IMPROVEMENTS	VARIOUS	4/30/99		2,584	39,930	-37,346
					TOTAL \$	<u>-37,346</u>

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

EIN: 98-0018893

FORM 1120

For the Year Ended July 31, 1999

STATEMENT 14

FOREIGN TAX CREDIT CARRYOVER:

<u>TAX PERIOD</u>	<u>FOREIGN TAXES PAID</u>	<u>AMOUNT USED IN PRIOR YEAR</u>	<u>AMOUNT USED IN CURRENT YEAR</u>	<u>AVAILABLE AMOUNT</u>
7/31/98	14,289	14,289		0
7/31/99	20,627		0	20,627
TOTAL				<u>20,627</u>

ALTERNATIVE MINIMUM TAX FOREIGN TAX CREDIT CARRYOVER:

<u>TAX PERIOD</u>	<u>FOREIGN TAXES PAID</u>	<u>AMOUNT USED IN PRIOR YEAR</u>	<u>AMOUNT USED IN CURRENT YEAR</u>	<u>AVAILABLE AMOUNT</u>
7/31/98	14,289	9,526		4,763
7/31/99	20,627		0	20,627
TOTAL				<u>25,390</u>

January 31, 2000
9:20 AM

Page 1

SUN MOTOYAMA INT'L GUAM, INC.
DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Prior Accum Thru Depreciation	Depreciation This Run	Current Year to Date	Curr Accum Depreciation Key
Book: Tax FY: July										
000001	000 10/18/93	189	MF200	P 07 00	189	0 07/98	0	0	0	0 r
DISHWASHER, CONDO										
000002	000 11/01/89	10673	MF200	P 07 00	0	10673 07/99	10673	0	0	10673 s
5/90 F&F										
000003	000 11/30/90	4161	MF200	P 07 00	0	4161 07/98	4161	0	0	4161 s
5/91 7YR OFFICE F&F										
000004	000 08/01/90	26793	MF200	P 07 00	0	26793 07/98	26793	0	0	26793 s
ETRO #2 F&F										
000008	000 08/06/93	1573	MF200	P 07 00	1573	0 08/98	0	0	0	0 dr
CARPET INSTALL. CONDO										
000009	000 10/18/93	293	MF200	P 07 00	293	0 07/98	0	0	0	0 r
ELECTRIC RANGE, CONDO										
000010	000 08/19/93	499	MF200	P 07 00	499	0 08/98	0	0	0	0 dr
TOPPY'S OFFICE CABINET										
000011	000 07/05/95	3200	MF200	P 07 00	3200	0 07/98	0	0	0	0 r
SHELVING										
000012	000 07/18/95	3600	MF200	P 07 00	3600	0 07/98	0	0	0	0 r
OFFICE PARTITION										
000013	000 08/24/95	3450	MF200	P 07 00	3450	0 07/98	0	0	0	0 r
DRAWER CABINET (ETRO)										
000014	000 12/13/95	1100	MF200	P 07 00	1100	0 07/98	0	0	0	0 r
SHELVING UNIT										
000015	000 11/01/89	11048	MF200	P 05 00	0	11048 07/95	11048	0	0	11048 s
5/90 M&E										
000016	000 03/27/91	1125	MF200	P 05 00	0	1125 07/99	1125	0	0	1125 s
91 5 YR ASSETS										
000017	000 06/30/91	310	MF200	P 07 00	310	0 01/98	0	0	0	0 rs
MUSIC SYSTEM										
000018	000 10/31/91	970	MF200	P 07 00	714	256 07/98	241	15	15	256 rs
CELLULAR TELEPHONE										
000019	000 10/31/91	120	MF200	P 07 00	120	0 07/98	0	0	0	0 r
BINOCULARS										
000020	000 01/12/94	800	MF200	Q 05 00	800	0 07/98	0	0	0	0 r
EPSON PRINTER										
000021	000 06/29/94	1875	MF200	Q 05 00	1875	0 07/98	0	0	0	0 r
EPSON CPU A5801										
000022	000 06/29/94	450	MF200	Q 05 00	450	0 07/98	0	0	0	0 r
NEC READY MONITOR										
000027	000 11/29/93	927	MF150	P 31 05	927	0 07/98	0	0	0	0 r
TYPHOON SHUTTER, CONDO										
000031	000 06/16/96	16614	MF100	R 39 00	0	16614 07/98	905	426	426	1331
L/H IMP. - GUCCI										
000033	000 01/26/96	4300	MF100	R 39 00	0	4300 04/99	280	0	78	358 d
L/H IMP. - OFFICE										
000036	000 12/01/93	2126	MF200	P 07 00	2126	0 07/98	0	0	0	0 r
ASSESSMENT FEE, CONDO										
000037	000 01/26/96	1500	MF200	Q 05 00	1500	0 07/98	0	0	0	0 r

January 31, 2000
9:20 AM

Page 2

SUN MOTOYAMA INT'L GUAM, INC. DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Prior Accum Thru Depreciation	Depreciation This Run	Current Year to Date	Curr Accum Depreciation Key
OTHER - EPSON ETRO COMPUTER											
000038	000	01/26/96	1750	MF200	Q 05 00	1750	0 07/98	0	0	0	0 r
OTHER - HP VECTRA (GM COMPUTER)											
000039	000	02/27/96	7190	MF200	Q 05 00	7190	0 07/98	0	0	0	0 r
OTHER - HP COMPUTER (OFF/ETRO)											
000040	000	04/26/96	3155	MF200	Q 05 00	2510	645 07/98	459	74	74	534 r
OTHER - HP VECTRA											
000041	000	07/29/96	1705	MF200	Q 05 00	0	1705 07/98	1214	196	196	1410
OTHER - HP VECTRA (OFFICE)											
000042	000	02/01/96	5877	MF200	P 07 00	0	5877 07/98	3870	859	959	4729
OTHER FIXED ASSETS											
000043	000	12/31/90	839	SIMM	Z 05 00	0	839 07/98	839	0	0	839
5/91 SOFTWARE											
000046	000	08/12/96	2898	MF200	P 07 00	2898	0 07/98	0	0	0	0 r
EXEC. CHAIR, COMP. STAND, FILE CABINET											
000047	000	10/17/96	8000	MF200	P 07 00	8000	0 07/98	0	0	0	0 r
GM'S FURNITURE											
000048	000	02/24/97	1500	MF200	P 07 00	1500	0 07/98	0	0	0	0 r
CELLULAR											
000049	000	12/26/96	1160	MF200	P 07 00	1160	0 07/98	0	0	0	0 r
TELEVISION FOR CONDO											
000050	000	12/31/96	19795	MF100	R 27 06	0	19795 07/98	1037	720	720	1757
CONDOMINIUM											
000053	000	10/01/96	25234	MF100	R 39 00	0	25234 04/99	1159	0	458	1618 d
L/H IMP. - OFFICE											
000054	000	12/01/96	4476	MF100	R 39 00	0	4476 04/99	186	0	81	268 d
L/H IMP. - OFFICE											
000055	000	01/01/97	5920	MF100	R 39 00	0	5920 04/99	234	0	108	342 d
L/H IMP. - OFFICE											
000056	000	12/18/96	6343	MF200	Q 05 00	2779	3564 07/98	1853	684	684	2538 r
COMPAQ COMPUTERS (OFFICE/3)											
000057	000	09/01/96	1163	MF200	P 07 00	1163	0 07/98	0	0	0	0 r
SURVEILLANCE CAMERA											
000058	000	03/01/97	1295	MF200	Q 05 00	0	1295 07/98	673	249	249	922
CPU BACK-UP BATTERIES/POWER CONDITIONERS											
000059	000	01/01/97	1120	MF200	Q 05 00	0	1120 07/98	582	215	215	797
COMPAQ											
000060	000	01/01/97	11718	SIMM	Z 03 00	0	11718 07/98	6185	3906	3906	10091
PRO SERIES SOFTWARE											
000064	000	12/19/97	2349	MF200	P 07 00	2349	0 07/98	0	0	0	0 r
BEDROOM/DINING SET											
000065	000	01/13/98	1415	MF200	P 07 00	1415	0 07/98	0	0	0	0 r
LIVING ROOM SET											
000066	000	12/28/97	356752	MF100	R 39 00	0	356752 07/98	5877	9404	9404	15281
LEASEHOLD IMPROV - ETRO											
000067	000	03/31/98	3648	MF100	R 39 00	0	3648 07/98	35	94	94	129
ETRO LIGHT INSTALLATION											
000068	000	03/31/98	1970	MF200	P 07 00	1970	0 07/98	0	0	0	0 r

January 31, 2000
9:20 AM

Page 3

SUN MOTOYAMA INT'L GUAM, INC. DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Prior Accum Thru Depreciation	Depreciation This Run	Current Year to Date	Curr Accum Depreciation Key
ETRO OFFICE DESK											
000069	000	11/01/97	3205	MF200	Q 05 00	3205	0 07/98	0	0	0	0 r
TOSHIBA MULTIMEDIA NOTEBOOK											
000070	000	01/14/99	18464	MF150	R 39 00	0	18464 00/00	0	355	355	355
RENOVATION											
000071	000	04/01/99	10805	MF200	P 05 00	0	10805 00/00	0	2161	2161	2161
COMPUTER HARDWARE Y2K											
000072	000	04/01/99	9315	MF200	P 05 00	0	9315 00/00	0	1863	1863	1863
COMPUTER SOFTWARE Y2K											
000073	000	02/01/99	648	MF200	P 05 00	0	648 00/00	0	130	130	130
HP PRINTER											
000074	000	04/30/99	8930	MF100	R 39 00	0	8930 04/99	0	0	0	0 d
LEASEHOLD IMPROV. - OFFICE											
Count=		54									
Grand Total			637336			60615	576721	79431	21351	22076	101507
Less disposals and transfers			50933			2072	48861	1860			2585
Net			586403			58543	527860	77571	21351	22076	98922

Calculation Assumptions

Book	Short Years	Midquarter Convention	Adjustment Convention
Tax	[N]	[N]	None

Asset Grouping/Sorting

Group: All FAS Assets

Include Assets that meet the following conditions:

All FAS Assets

Sort Assets by:

Key

- r : Asset's acquired value has been reduced to arrive at depreciable basis.
- s : Asset has switched from declining-balance to straight-line
- d : Asset has been disposed of.

January 31, 2000
9:20 AM

Page 1

SUN MOTOYAMA INT'L GUAM, INC. DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Prior Accum Thru Depreciation	Depreciation This Run	Current Year to Date	Curr Accum Depreciation Key
Book: AMT FY: July											
000001	000	10/13/93	189	MF150	P 10 00	189	0	07/98	0	0	0 r
		DISHWASHER, CONDO									
000002	000	11/01/89	10673	MF150	P 10 00	0	10673	07/98	9333	893	10226 s
		5/90 F&F									
000003	000	11/30/90	4161	MF150	P 10 00	0	4161	07/98	3290	349	3638 s
		5/91 7YR OFFICE F&F									
000004	000	08/01/90	26793	MF150	P 10 00	0	26793	07/98	21178	2246	23424 s
		ETRO #2 F&F									
000008	000	08/06/93	1573	MF150	P 10 00	1573	0	08/98	0	0	0 dr
		CARPET INSTALL. CONDO									
000009	000	10/18/93	293	MF150	P 10 00	293	0	07/98	0	0	0 r
		ELECTRIC RANGE, CONDO									
000010	000	08/19/93	499	MF150	P 10 00	499	0	08/98	0	0	0 dr
		TOPPY'S OFFICE CABINET									
000011	000	07/05/95	3200	MF150	P 10 00	3200	0	07/98	0	0	0 r
		SHELVING									
000012	000	07/18/95	3600	MF150	P 10 00	3600	0	07/98	0	0	0 r
		OFFICE PARTITION									
000013	000	08/24/95	3450	MF150	P 10 00	3450	0	07/98	0	0	0 r
		DRAWER CABINET (ETRO)									
000014	000	12/13/95	1100	MF150	P 10 00	1100	0	07/98	0	0	0 r
		SHELVING UNIT									
000015	000	11/01/89	11048	MF150	P 06 00	0	11048	07/98	11048	0	11048 s
		5/90 M&E									
000016	000	03/27/91	1125	MF150	P 06 00	0	1125	07/98	1125	0	1125 s
		91 5 YR ASSETS									
000017	000	06/30/91	310	MF150	P 10 00	310	0	07/98	0	0	0 r
		MUSIC SYSTEM									
000018	000	10/31/91	970	MF150	P 10 00	714	256	07/98	171	24	195 rs
		CELLULAR TELEPHONE									
000019	000	10/31/91	120	MF150	P 10 00	120	0	07/98	0	0	0 r
		BINOCULARS									
000020	000	01/12/94	800	MF150	Q 05 00	800	0	07/98	0	0	0 r
		EPSON PRINTER									
000021	000	06/29/94	1875	MF150	Q 05 00	1875	0	07/98	0	0	0 r
		EPSON CPU A5801									
000022	000	06/29/94	450	MF150	Q 05 00	450	0	07/98	0	0	0 r
		NEC READY MONITOR									
000027	000	11/29/93	927	MF150	P 40 00	927	0	07/98	0	0	0 r
		TYPHOON SHUTTER, CONDO									
000031	000	06/16/96	16614	ADS	R 40 00	0	16614	07/98	883	415	1298
		L/H IMP. - GUCCI									
000033	000	01/26/96	4300	ADS	R 40 00	0	4300	04/99	273	0	349 d
		L/H IMP. - OFFICE									
000036	000	12/01/93	2126	MF150	P 10 00	2126	0	07/98	0	0	0 r
		ASSESSMENT FEE, CONDO									
000037	000	01/26/96	1500	MF150	Q 05 00	1500	0	07/98	0	0	0 r

January 31, 2000
9:20 AM

Page 2

SUN MOTOYAMA INT'L GUAM, INC. DEPRECIATION EXPENSE REPORT

as of 07/31/1999

SYS No	Ext	In Svc Date	Acquired Value	Dep Meth	P Est T Life	Salvage/ Sect 179	Depreciable Basis	Prev Prior Accum Thru Depreciation	Depreciation Current Year This Run	Current Year to Date	Curr Accum Depreciation Key
OTHER - EPSON ETRO COMPUTER											
000038	000	01/26/96	1750	MF150 Q	05 00	1750	0 07/98	0	0	0	0 r
OTHER - HP VECTRA (GM COMPUTER)											
000039	000	02/27/96	7190	MF150 Q	05 00	7190	0 07/98	0	0	0	0 r
OTHER - HP COMPUTER (OFF/ETRO)											
000040	000	04/26/96	3155	MF150 Q	05 00	2510	645 07/98	376	107	107	484 rs
OTHER - HP VECTRA											
000041	000	07/29/96	1705	MF150 Q	05 00	0	1705 07/98	995	284	284	1279 s
OTHER - HP VECTRA (OFFICE)											
000042	000	02/01/96	6877	MF150 P	10 00	0	6877 07/98	2281	689	689	2970
OTHER FIXED ASSETS											
000043	000	12/31/90	839	SLMM Z	05 00	0	839 07/98	839	0	0	839
5/91 SOFTWARE											
000046	000	08/12/96	2898	MF150 P	10 00	2898	0 07/98	0	0	0	0 r
EXEC. CHAIR, COMP. STAND, FILE CABINET											
000047	000	10/17/96	8000	MF150 P	10 00	8000	0 07/98	0	0	0	0 r
GM'S FURNITURE											
000048	000	02/24/97	1500	MF150 P	10 00	1500	0 07/98	0	0	0	0 r
CELLULAR											
000049	000	12/26/96	1160	MF150 P	10 00	1160	0 07/98	0	0	0	0 r
TELEVISION FOR CONDO											
000050	000	12/31/96	19795	ADS R	40 00	0	19795 07/98	804	495	495	1299
CONDOMINIUM											
000053	000	10/01/96	25234	ADS R	40 00	0	25234 04/99	1130	0	447	1577 d
L/H IMP. - OFFICE											
000054	000	12/01/96	4476	ADS R	40 00	0	4476 04/99	182	0	79	261 d
L/H IMP. - OFFICE											
000055	000	01/01/97	5920	ADS R	40 00	0	5920 04/99	228	0	105	333 d
L/H IMP. - OFFICE											
000056	000	12/18/96	6343	MF150 Q	05 00	2779	3564 07/98	1443	636	636	2080 r
COMPAQ COMPUTERS (OFFICE/3)											
000057	000	09/01/96	1163	MF150 P	10 00	1163	0 07/98	0	0	0	0 r
SURVEYLANCE CAMERA											
000058	000	03/01/97	1295	MF150 Q	05 00	0	1295 07/98	524	231	231	756
CPU BACK-UP BATTERIES/POWER CONDITIONERS											
000059	000	01/01/97	1120	MF150 Q	05 00	0	1120 07/98	454	200	200	654
COMPAQ											
000060	000	01/01/97	11718	SLMM Z	03 00	0	11718 07/98	6185	3906	3906	10091
PRO SERIES SOFTWARE											
000064	000	12/19/97	2349	MF150 P	10 00	2349	0 07/98	0	0	0	0 r
BEDROOM/DINING SET											
000065	000	01/13/98	1415	MF150 P	10 00	1415	0 07/98	0	0	0	0 r
LIVING ROOM SET											
000066	000	12/28/97	366752	ADS R	40 00	0	366752 07/98	5731	9169	9169	14899
LEASEHOLD IMPROV - ETRO											
000067	000	03/31/98	3648	ADS R	40 00	0	3648 07/98	34	91	91	125
ETRO LIGHT INSTALLATION											
000068	000	03/31/98	1970	MF150 P	10 00	1970	0 07/98	0	0	0	0 r

January 31, 2000
9:20 AM

Page 3

SUN MOTOYAMA INT'L GUAM, INC. DEPRECIATION EXPENSE REPORT

as of 07/31/1999

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ETRO OFFICE DESK											
000069	000	11/01/97	3205	MF150	Q 05 00	3205	0 07/98	0	0	0	0 r
TOSHIBA MULTIMEDIA NOTEBOOK											
000070	000	01/14/99	18464	MF150	R 39 00	0	18464 00/00	0	355	355	355
RENOVATION											
000071	000	04/01/99	10805	MF150	P 05 00	0	10805 00/00	0	1621	1621	1621
COMPUTER HARDWARE Y2K											
000072	000	04/01/99	9315	MF150	P 05 00	0	9315 00/00	0	1397	1397	1397
COMPUTER SOFTWARE Y2K											
000073	000	02/01/99	648	MF150	P 05 00	0	648 00/00	0	97	97	97
HP PRINTER											
000074	000	04/30/99	8930	MF100	R 39 00	0	8930 04/99	0	0	0	0 d
LEASEHOLD IMPROV. - OFFICE											
Count= 54 -----											
Grand Total											
			637336			60615	576721	68508	23206	23914	92421
Less disposals and transfers											
			50933			2072	48861	1814			2521
Net											
			586403			58543	527860	66694	23206	23914	89901

Calculation Assumptions

Book	Short Years	Midquarter Convention	Adjustment Convention
---	-----	-----	-----
AMT	[N]	[N]	None

Asset Grouping/Sorting

Group: All FAS Assets

Include Assets that meet the following conditions:

All FAS Assets

Sort Assets by:

Key

r : Asset's acquired value has been reduced to arrive at depreciable basis.
s : Asset has switched from declining-balance to straight-line
d : Asset has been disposed of.

Department of the Treasury
Internal Revenue Service
Name of corporation

Application for Automatic Extension of Time To File Corporation Income Tax Return

OMB No. 1545-0233

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Employer identification number
98-0018893

Number, street, and room or suite no. (If a P.O. box or outside the United States, see instructions.)

P.O. BOX 8139

City or town, state, and ZIP code

TAMUNING, GU 96931

Check type of return to be filed:

- | | | | | |
|-----------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|-----------------------------------------|---------------------------------------|
| <input checked="" type="checkbox"/> Form 1120 | <input type="checkbox"/> Form 1120-FSC | <input type="checkbox"/> Form 1120-ND | <input type="checkbox"/> Form 1120-REIT | <input type="checkbox"/> Form 1120-SF |
| <input type="checkbox"/> Form 1120-A | <input type="checkbox"/> Form 1120-H | <input type="checkbox"/> Form 1120-PC | <input type="checkbox"/> Form 1120-RIC | |
| <input type="checkbox"/> Form 1120-F | <input type="checkbox"/> Form 1120-L | <input type="checkbox"/> Form 1120-POL | <input type="checkbox"/> Form 1120S | |
| <input type="checkbox"/> Form 990-C | Note: Other 990 filers (i.e., Form 990, 990-EZ, 990-BL, 990-PF, and certain filers of Form 990-T (see instructions)) must use | | | |
| <input type="checkbox"/> Form 990-T | Form 2758 to request an extension of time to file. | | | |

Form 1120-F filers: Check here if you do not have an office or place of business in the United States ☐

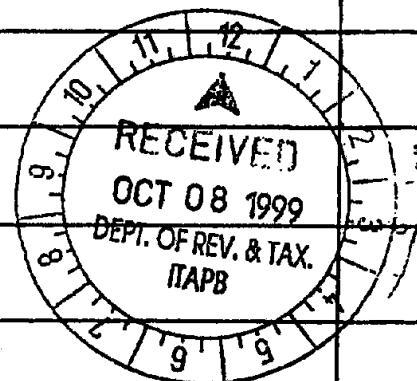
1a I request an automatic 6-month (or, for certain corporations, 3-month) extension of time until 4/15, 2000, to file the income tax return of the corporation named above for ☐ calendar year _____ or ☒ tax year beginning 8/01, 1998, and ending 7/31, 1999.

b If this tax year is for less than 12 months, check reason:

- ☐ Initial return ☐ Final return ☐ Change in accounting period ☐ Consolidated return to be filed

2 If this application also covers subsidiaries to be included in a consolidated return, complete the following:

Name and address of each member of the affiliated group	Employer identification number	Tax period



3 Tentative tax (see instructions).....	3	0
4 Credits:		
a Overpayment credited from prior year	4a	360,516
b Estimated tax payments for the tax year	4b	
c Less refund for the tax year applied for on Form 4466	4c	
	4d	360,516
e Credit for tax paid on undistributed capital gains (Form 2439).....	4e	
f Credit for Federal tax on fuels (Form 4136)	4f	
5 Total. Add lines 4d through 4f	5	360,516
6 Balance due. Subtract line 5 from line 3. Deposit this amount electronically or with a Federal Tax Deposit (FTD) Coupon (see instructions)	6	0

Signature. - Under penalties of perjury, I declare that I have been authorized by the above-named corporation to make this application, and to the best of my knowledge and belief, the statements made are true, correct, and complete.

(Signature of officer or agent)

Joe M. Arnett

Representative

(Title)

10/7/99
(Date)

For Paperwork Reduction Act Notice, see instructions.

Form **7004** (Rev. 7-98)

Form 1120X

(Rev. June 1995)

Department of the Treasury
Internal Revenue Service

GUAM

Amended U.S. Corporation Income Tax Return

OMB No. 1545-0132

 For tax year ending in
7/97
 (Enter month and year)

 Please
 Type
 or
 Print
 Name
SUN MOTOYAMA INTERNATIONAL GUAM, INC.
 Number, street, and room or suite no. (If a P.O. box, see instructions.)
P.O. BOX 8139
 City or town, state, and ZIP code
TAMUNING, GU 96931

 Employer identification number
98-0018893

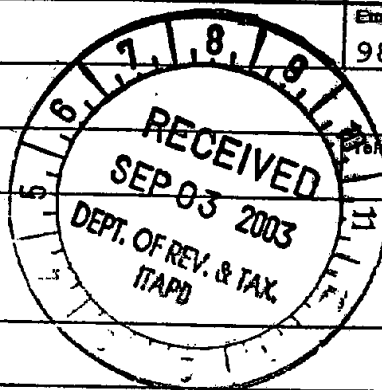
Telephone number (optional)

Enter name and address used on original return (If same as above, write "Same.")

SAME

 Internal Revenue Service Center
 where original return was filed

TIYAN, GUAM



Fill in Applicable Items and Use Part II To Explain Any Changes

Part I Income and Deductions (see instructions)	(a) As originally reported or as previously adjusted	(b) Net change (increase or decrease - explain in Part II)	(c) Correct amount
1 Total income (Form 1120 or 1120-A, line 11)	9884734		9884734
2 Total deductions (total of lines 27 and 29c, Form 1120, or lines 23 and 25c, Form 1120-A)	3905468	128130	4033598
3 Taxable income. Subtract line 2 from line 1	5979266	-128130	5851136
4 Tax (Form 1120, line 31, or Form 1120-A, line 27)	2032950	-43564	1989386

Payments and Credits (see instructions)

ORIGINAL

5a Overpayment in prior year allowed as a credit	43429		43429
b Estimated tax payments	2090500		2090500
c Refund applied for on Form 4468			
d Subtract line 5c from the sum of lines 5a and 6b	2133929		2133929
e Tax deposited with Form 7004			
f Credit from regulated investment companies			
g Credit for Federal tax on fuels			
6 Tax deposited or paid with (or after) the filing of the original return			0
7 Add lines 5d through 6, column (c)			2133929
8 Overpayment, if any, as shown on original return or as later adjusted			100182
9 Subtract line 8 from line 7			2033747

Tax Due or Refund

10 Tax due. Subtract line 9 from line 4, column (c). Make check payable to "Internal Revenue Service" (see instructions)	
11 Refund. Subtract line 4, column (c), from line 9	* 43564

Under penalties of perjury, I declare that I have filed an original return and that I have examined this amended return, including accompanying schedules and statements, and to the best of my knowledge and belief, this amended return is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Please
Sign
Here

Signature of officer

Date

Title

Preparer's
signature

Date

Check
if self-
employed ☐

Preparer's social security no.

Paid
Preparer's
Use OnlyFirm's name (or
yours if self-employed)
and address
DELOITTE & TOUCHE LLP
361 SOUTH MARINE DRIVE
TAMUNING, GUAM, --

ZIP code

96913

For Paperwork Reduction Act Notice, see instructions on page 3.

KFA

Exhibit "B"

*ESTIMATED TAX PENALTY OF \$797 IS DEDUCTED FROM

Form 1120X (Rev. 8-95)

GUAM

Part II **Explanation of Changes to Income, Deductions, Credits, etc.** Enter the line number from page 1 for the items you are changing, and give the reason for each change. Show any computation in detail. Attach additional sheets if necessary.

If the change is due to a net operating loss carryback, a capital loss carryback, or a general business credit carryback, see **Carryback Claims** on page 3, and check here. ☐

TAXPAYER HAS AMENDED ITS 1996 CORPORATE INCOME TAX RETURN TO CARRY BACK NET OPERATING LOSS OF \$128,130 AND ALTERNATIVE MINIMUM TAX NET OPERATING LOSS OF \$132,288, GENERATED FROM ITS 2001 CORPORATE INCOME TAX RETURN.

U. S. Corporation Income Tax Return

OMB No. 1545-0123

Department of the Treasury
Internal Revenue Service

For calendar year 1996 or tax year beginning 8/01, 1996, ending 7/31, 1997

1996

▶ Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

A Check if a:

- 1 Consolidated return (attach Form 951) ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T - see instructions) ☐

Use
IRS
label.
Other-
wise,
please
print
or type.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.
P.O. BOX 8139
TAMUNING, GU 96931

B Employer identification number

98-0018893

C Date incorporated

5/23/74

D Total assets (see page 6 of instructions)

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change of address

\$ 8166597

INCOME

SEE INSTRUCTIONS FOR DEDUCTIONS

TAX AND PAYMENTS

1a Gross receipts or sales 16518424 b Less returns and allowances c Balance ▶ 1c 16518424

2 Cost of goods sold (Schedule A, line 8) 2 6778469

3 Gross profit. Subtract line 2 from line 1c 3 9739955

4 Dividends (Schedule C, line 19) 4

5 Interest SEE STATEMENT 1 5 121981

6 Gross rents 6

7 Gross royalties 7

8 Capital gain net income (attach Schedule D (Form 1120)). 8

9 Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797) 9

10 Other income (see page 7 of instructions - attach schedule) SEE STATEMENT 2 10 22798

11 Total income. Add lines 3 through 10 ▶ 11 9884734

12 Compensation of officers (Schedule E, line 4) 12

13 Salaries and wages (less employment credits) 13 994943

14 Repairs and maintenance 14 15

15 Bad debts 15

16 Rents 16 712048

17 Taxes and licenses SEE STATEMENT 3 17 726457

18 Interest 18 79265

19 Charitable contributions (see page 8 of instructions for 10% limitation) SEE STATEMENT 4 19 1984

20 Depreciation (attach Form 4562) 20 44532

21 Less depreciation claimed on Schedule A and elsewhere on return 21a 21b 44532

22 Depletion 22

23 Advertising 23 232848

24 Pension, profit-sharing, etc., plans 24 117656

25 Employee benefit programs 25 10329

26 Other deductions (attach schedule) SEE STATEMENT 5 26 985391

27 Total deductions. Add lines 12 through 26 ▶ 27 3905468

28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11 28 5979266

29 Less: a Net operating loss deduction (see page 10 of instr.) SEE ST. 6 29a 128130

b Special deductions (Schedule C, line 20) 29b 29c 128130

30 Taxable income. Subtract line 29c from line 28 30 5851136

31 Total tax (Schedule J, line 10) 31 1989386

32 Payments:

a 1995 overpayment credited to 1996 32a 43429

b 1996 estimated tax payments 32b 2090500

c Less 1996 refund applied for on Form 4466 32c () d Bal ▶ 32d 2133929

e Tax deposited with Form 7004 32e

f Credit from regulated investment companies (attach Form 2439) 32f

g Credit for Federal tax on fuels (attach Form 4136). See instructions 32g 32h 2133929

33 Estimated tax penalty (see page 11 of instructions). Check if Form 2220 is attached. 33 797

34 Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed 34

35 Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid 35 143746

36 Enter amount of line 35 you want: Credited to 1997 estimated tax ▶ 100182 Refunded ▶ 36 43564

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature
of officer

Date

Title

Paid
Preparer's
Use OnlyPreparer's
signature

JOE M. ARNETT

Date

Check if self-
employed ☐

Preparer's social security number

P00018125

Firm's name (or
yours, if self-employed)
and address

DELOITTE & TOUCHE LLP
361 SOUTH MARINE DRIVE
TAMUNING, GUAM, --

EIN

▶ 98-0047535

ZIP code

▶ 96913

KFA

Schedule J Tax Computation (See page 13 of instructions.)

1	Check if the corporation is a member of a controlled group (see sections 1561 and 1563).	<input type="checkbox"/>		
Important: Members of a controlled group, see instructions on page 13.				
2a	If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):			
	(1) \$	(2) \$	(3) \$	
b	Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) . . .	\$		
	(2) Additional 3% tax (not more than \$100,000) . . .	\$		
3	Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 13)	<input type="checkbox"/>	3	1989386
4a	Foreign tax credit (attach Form 1118)	4a		
4b	Possessions tax credit (attach Form 5735)	4b		
c	Check: <input type="checkbox"/> Nonconventional source fuel credit <input type="checkbox"/> QEV credit (attach Form 8834)	4c		
d	General business credit. Enter here and check which forms are attached: <input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830 <input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847	4d		
e	Credit for prior year minimum tax (attach Form 8827)	4e		
5	Total credits. Add lines 4a through 4e	5		
6	Subtract line 5 from line 3.	6	1989386	
7	Personal holding company tax (attach Schedule PH (Form 1120))	7		
8	Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611	8		
9	Alternative minimum tax (attach Form 4626)	9		
10	Total tax. Add lines 6 through 9. Enter here and on line 31, page 1	10	1989386	

Schedule K Other Information (See page 15 of instructions.)

	Yes	No
1 Check method of accounting: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		
2 See page 17 of the instructions and state the principal: a Business activity code no. ▶ 5600 b Business activity ▶ SALES c Product or service ▶ APPAREL & ACCES		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c)).	<input checked="" type="checkbox"/>	
If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group?	<input checked="" type="checkbox"/>	
If "Yes," enter employer identification number and name of the parent corporation ▶		
5 Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).)	<input checked="" type="checkbox"/>	
If "Yes," attach a schedule showing name and identifying no. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ SEE STATEMENT 7		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.)	<input checked="" type="checkbox"/>	
If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary.		
7 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.)		<input checked="" type="checkbox"/>
If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶		
8 At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country?		<input checked="" type="checkbox"/>
If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ▶		
9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 16 of the instructions for other forms the corporation may have to file		<input checked="" type="checkbox"/>
10 Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"		<input checked="" type="checkbox"/>
a Enter percentage owned ▶ 50.00		
b Enter owner's country ▶ JAPAN/HONG KONG		
c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶ 2		
11 Check this box if the corporation issued publicly offered debt instruments with original issue discount	<input type="checkbox"/>	
If so, the corporation may have to file Form 8281.		
12 Enter the amount of tax-exempt interest received or accrued during the tax year	\$	
13 If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ 2		
14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here	<input type="checkbox"/>	
15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.)		

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
▶ Attach to the corporation's tax return.

1996

Name

Employer identification number

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

1	Taxable income or (loss) before net operating loss deduction.....	1	5979266
2	Adjustments and preferences:		
a	Depreciation of post-1986 property.....	2a	-8054
b	Amortization of certified pollution control facilities.....	2b	
c	Amortization of mining exploration and development costs.....	2c	
d	Amortization of circulation expenditures (personal holding companies only).....	2d	
e	Adjusted gain or loss.....	2e	-41699
f	Long-term contracts.....	2f	
g	Installment sales.....	2g	
h	Merchant marine capital construction funds.....	2h	
i	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only).....	2i	
j	Tax shelter farm activities (personal service corporations only).....	2j	
k	Passive activities (closely held corporations and personal service corporations only).....	2k	
l	Loss limitations.....	2l	
m	Depletion.....	2m	
n	Tax-exempt interest from specified private activity bonds.....	2n	
o	Charitable contributions.....	2o	
p	Intangible drilling costs.....	2p	
q	Accelerated depreciation of real property (pre-1987).....	2q	
r	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only).....	2r	
s	Other adjustments.....	2s	
t	Combine lines 2a through 2s.....	2t	-49753
3	Preadjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2t.....	3	5929513
4	Adjusted current earnings (ACE) adjustment:		
a	Enter the corporation's ACE from line 10 of the worksheet on page 8 of the instructions.....	4a	5943135
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 4 of the instructions).....	4b	13622
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount.....	4c	10217
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see page 6 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive).....	4d	7916
e	ACE adjustment:		
	• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount.....	4e	10217
	• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount.....		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax.....	5	5939730
6	Alternative tax net operating loss deduction (see page 5 of the instructions)..... SEE STATEMENT 13	6	132288
7	Alternative minimum taxable income. Subtract line 6 from line 5.....	7	5807442

For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1996)

8 Enter the amount from line 7 (alternative minimum taxable income)	8	5807442
9 Exemption phase-out computation (If line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9a	
b Multiply line 9a by 25% (.25)	9b	
c Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9c	0
10 Subtract line 9c from line 8. If zero or less, enter -0-	10	5807442
11 Multiply line 10 by 20% (.20)	11	1161488
12 Alternative minimum tax foreign tax credit. See page 5 of the instructions for limitations	12	
13 Tentative minimum tax. Subtract line 12 from line 11	13	1161488
14 Regular tax liability before all credits except the foreign tax credit and possessions tax credit	14	1989386
15 Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 9). If zero or less, enter -0-	15	0

Adjusted Current Earnings Worksheet

▶ See ACE Worksheet Instructions (which begin on page 6).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626	1	5929513
2	ACE depreciation adjustment:		
a	AMT depreciation	2a	52586
b	ACE depreciation:		
	(1) Post-1993 property	2b(1)	16367
	(2) Post-1989, pre-1994 property	2b(2)	8042
	(3) Pre-1990 MACRS property	2b(3)	14555
	(4) Pre-1990 original ACRS property	2b(4)	
	(5) Property described in sections 168(f)(1) through (4)	2b(5)	
	(6) Other property	2b(6)	
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	38964
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a	2c	13622
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income	3a	
b	Death benefits from life insurance contracts	3b	
c	All other distributions from life insurance contracts (including surrenders)	3c	
d	Inside buildup of undistributed income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g) - 1(c)(6)(iii) through (ix) for a partial list)	3e	
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e	3f	0
4	Disallowance of items not deductible from E&P:		
a	Certain dividends received	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b	
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c	
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d	
e	Other items (see Regulations sections 1.56(g) - 1(d)(3)(i) and (ii) for a partial list)	4e	
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e	4f	0
5	Other adjustments based on rules for figuring E&P:		
a	Intangible drilling costs	5a	
b	Circulation expenditures	5b	
c	Organizational expenditures	5c	
d	LIFO inventory adjustments	5d	
e	Installment sales	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e	5f	0
6	Disallowance of loss on exchange of debt pools	6	
7	Acquisition expenses of life insurance companies for qualified foreign contracts	7	
8	Depletion	8	
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property	9	
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626	10	5943135

1996

FEDERAL STATEMENTS

PAGE 1

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

**STATEMENT 1
FORM 1120, LINE 5
INTEREST INCOME**

INTEREST INCOME	\$	121981
TOTAL	\$	<u>121981</u>
		=====

**STATEMENT 2
FORM 1120, LINE 10
OTHER INCOME**

COMMISSION INCOME	\$	18358
OTHER INCOME		4440
TOTAL	\$	<u>22798</u>
		=====

**STATEMENT 3
FORM 1120, LINE 17
TAXES AND LICENSES**

GRT	\$	655395
OTHER TAXES		170
PAYROLL TAXES		70892
TOTAL	\$	<u>726457</u>
		=====

**STATEMENT 4
FORM 1120, LINE 19
CHARITABLE CONTRIBUTIONS**

CHARITABLE CONTRIBUTION	\$	1984
TOTAL	\$	<u>1984</u>
		=====

AS AMENDED

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 5
FORM 1120, LINE 26
OTHER DEDUCTIONS

AMORTIZATION	\$	2279
BANK CHARGES		269426
CASH SHORT		235
COMMUNICATIONS		29532
DAMAGE ACCOUNT		1600
DUES AND SUBSCRIPTIONS		20542
INSURANCE		79821
LEGAL AND PROFESSIONAL		76038
LOSS ON ABANDONMENT OF L/H & OTHER F/A		5231
MEALS, ENTERTAINMENT, AND CERTAIN TRAVEL EXPENSES		5483
OUTSIDE SERVICES		12452
POSTAGE		4811
SUPPLIES		196127
TRANSPORTATION		19181
TRAVEL		103116
UTILITIES		14146
WAREHOUSE & OFFICE		145371
TOTAL	\$	985391
		=====

STATEMENT 6
FORM 1120, LINE 29A
NET OPERATING LOSS DEDUCTION

CARRYBACK GENERATED FROM FISCAL YEAR END 7/31/02	\$	128130
AMOUNT UTILIZED IN		0
TOTAL UTILIZATION	\$	0
AVAILABLE FOR CARRYBACK TO 1996		128130
TOTAL NET OPERATING LOSS DEDUCTION	\$	128130
		=====

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 7
FORM 1120, SCHEDULE K, LINE 5
50% OR MORE OWNERS

NAME : PLOWDEN HONG KONG LIMITED
 ID NUMBER : N/A
 PERCENTAGE OWNED : 50.00%

NAME : INTERNATIONAL SUN MOTOYAMA CO., LTD.
 ID NUMBER : N/A
 PERCENTAGE OWNED : 50.00%

STATEMENT 8
FORM 1120, SCHEDULE L, LINE 6
OTHER CURRENT ASSETS

	BEGINNING	ENDING
	-----	-----
PREPAID EXPENSES	\$ 149483	\$ 209482
GUAM INCOME TAX RECEIVABLE	0	44893
NOTE RECEIVABLE - CURRENT	0	374678
TOTAL	\$ 149483	\$ 629053
	=====	=====

STATEMENT 9
FORM 1120, SCHEDULE L, LINE 14
OTHER ASSETS

	BEGINNING	ENDING
	-----	-----
RENTAL DEPOSITS	\$ 50570	\$ 70844
NOTES RECEIVABLE	0	199256
DEFERRED TAX ASSET	105394	273387
TOTAL	\$ 155964	\$ 543487
	=====	=====

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 10
FORM 1120, SCHEDULE L, LINE 18
OTHER CURRENT LIABILITIES

	BEGINNING	ENDING
	-----	-----
SALARIES PAYABLE	\$ 10482	\$ 253957
INCOME TAX PAYABLE	25880	0
FICA TAX PAYABLE	3277	3267
WITHHOLDING TAX PAYABLE	3841	1710
GROSS RECEIPTS TAX	55931	51787
RETIREMENT PLAN PAYABLE	36714	105741
TOTAL	\$ 136125	\$ 416462
	=====	=====

STATEMENT 11
FORM 1120, SCHEDULE M-1, LINE 5
BOOK EXPENSES NOT DEDUCTED

401(K) PROFIT SHARING PLAN	\$ 78438
CLUB MEMBERSHIP	2500
TOTAL	\$ 80938
	=====

STATEMENT 12
FORM 1120, SCHEDULE M-1, LINE 8
DEDUCTIONS NOT ON BOOKS

AMORTIZATION	\$ 2279
LOSS ON ABANDONMENT OF L/H & OTHER F/A	2080
TOTAL	\$ 4359
	=====

STATEMENT 13
FORM 4626, LINE 6
AMT NET OPERATING LOSS DEDUCTIONS

AS AMENDED

Client 36117X

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 13 CONTINUED
FORM 4626, LINE 6
AMT NET OPERATING LOSS DEDUCTIONS

CARRYBACK GENERATED FROM FISCAL YEAR END 7/31/02 . \$ 132288

AMOUNT UTILIZED IN 0

TOTAL UTILIZATION \$ 0

AVAILABLE FOR CARRYBACK TO 1996 132288

TOTAL AMT NET OPERATING LOSS DEDUCTION \$ 132288
=====

Department of the Treasury
Internal Revenue Service

For calendar year 1998 or tax year beginning 8/01, 1998, ending 7/31, 1999

1998

Instructions are separate. See page 1 for Paperwork Reduction Act Notice.

A Check if:

- 1 Consolidated return (attach Form 851) ☐
- 2 Personal holding co. (attach Sch. PH) ☐
- 3 Personal service corp. (as defined in Temporary Regs. sec. 1.441-4T; see instructions) ☐

Use IRS label. Otherwise, please print or type.

SUN MOTOYAMA INTERNATIONAL GUAM, INC.
P.O. BOX 8139
TAMUNING, GU 96931

B Employer identification number

98-0018893

C Date incorporated

5/23/74

D Total assets (see page 6 of instructions)

E Check applicable boxes: (1) ☐ Initial return (2) ☐ Final return (3) ☐ Change of address

\$ 8166597

INCOME	1a	Gross receipts or sales	16518424	b	Less returns and allowances		c	Balance	1c	16518424
	2	Cost of goods sold (Schedule A, line 8)					2	6778469		
	3	Gross profit. Subtract line 2 from line 1c				3	9739955			
	4	Dividends (Schedule C, line 19)				4				
	5	Interest				5	121981			
	6	Gross rents				6				
	7	Gross royalties				7				
	8	Capital gain net income (attach Schedule D (Form 1120))				8				
	9	Net gain or (loss) from Form 4797, Part II, line 20 (attach Form 4797)				9				
	10	Other income (see page 7 of instructions - attach schedule)	SEE STATEMENT 1			10	22798			
	11	Total income. Add lines 3 through 10				11	9884734			
DEDUCTIONS	12	Compensation of officers (Schedule E, line 4)				12				
	13	Salaries and wages (less employment credits)				13	994943			
	14	Repairs and maintenance				14	15			
	15	Bad debts				15				
	16	Rents				16	712048			
	17	Taxes and licenses	SEE STATEMENT 2			17	726457			
	18	Interest				18	79265			
	19	Charitable contributions (see page 8 of instructions for 10% limitation)	SEE STATEMENT 3			19	1984			
	20	Depreciation (attach Form 4562)	20	44532						
	21a	Less depreciation claimed on Schedule A and elsewhere on return	21a			21b	44532			
	22	Depletion				22				
23	Advertising				23	232848				
24	Pension, profit-sharing, etc., plans				24	117656				
25	Employee benefit programs				25	10329				
26	Other deductions (attach schedule)	SEE STATEMENT 4			26	985391				
27	Total deductions. Add lines 12 through 26				27	3905468				
28	Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11				28	5979266				
29a	Less: a Net operating loss deduction (see page 10 of instr.)	29a								
29b	b Special deductions (Schedule C, line 20)	29b			29c					
30	Taxable income. Subtract line 29c from line 28				30	5979266				
31	Total tax (Schedule J, line 10)				31	2032950				
TAX AND PAYMENTS	32	Payments:								
	a	1995 overpayment credited to 1996	32a	43429						
	b	1998 estimated tax payments	32b	2090500						
	c	Less 1998 refund applied for on Form 4466	32c	()	d	Balance	32d	2133929		
	e	Tax deposited with Form 7004	32e							
	f	Credit from regulated investment companies (attach Form 2439)	32f							
	g	Credit for Federal tax on fuels (attach Form 4136). See instructions	32g			32h	2133929			
	33	Estimated tax penalty (see page 11 of instructions). Check if Form 2220 is attached	33			33	797			
	34	Tax due. If line 32h is smaller than the total of lines 31 and 33, enter amount owed	34							
	35	Overpayment. If line 32h is larger than the total of lines 31 and 33, enter amount overpaid	35			35	100182			
36	Enter amount of line 35 you want: Credited to 1997 estimated tax	100182	Refunded	36	0					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer

Date

Title

Paid Preparer's Use Only

Preparer's signature

DAVID L. WELCH

Date

Check if self-employed ☐

Preparer's social security number

440-66-2097

Firm's name (or yours, if self-employed) and address

DELOITTE & TOUCHE LLP
361 SOUTH MARINE DRIVE
TAMUNING, GUAM

EIN

98-0047535

KFA

Schedule K Tax Computation (See page 13 of instructions.)

1 Check if the corporation is a member of a controlled group (see sections 1561 and 1563). <input type="checkbox"/>			
Important: Members of a controlled group, see instructions on page 13.			
2a If the box on line 1 is checked, enter the corporation's share of the \$50,000, \$25,000, and \$9,925,000 taxable income brackets (in that order):			
(1) \$	(2) \$	(3) \$	
b Enter the corporation's share of: (1) Additional 5% tax (not more than \$11,750) ..		\$	
(2) Additional 3% tax (not more than \$100,000) ..		\$	
3 Income tax. Check this box if the corporation is a qualified personal service corporation as defined in section 448(d)(2) (see instructions on page 13) .. <input type="checkbox"/>		3	2032950
4a Foreign tax credit (attach Form 1118) ..	4a		
b Possessions tax credit (attach Form 5735) ..	4b		
c Check: <input type="checkbox"/> Nonconventional source fuel credit			
<input type="checkbox"/> QEV credit (attach Form 8834) ..	4c		
d General business credit. Enter here and check which forms are attached:			
<input type="checkbox"/> 3800 <input type="checkbox"/> 3468 <input type="checkbox"/> 5884 <input type="checkbox"/> 6478 <input type="checkbox"/> 6765 <input type="checkbox"/> 8586 <input type="checkbox"/> 8830			
<input type="checkbox"/> 8826 <input type="checkbox"/> 8835 <input type="checkbox"/> 8844 <input type="checkbox"/> 8845 <input type="checkbox"/> 8846 <input type="checkbox"/> 8820 <input type="checkbox"/> 8847	4d		
e Credit for prior year minimum tax (attach Form 8827) ..	4e		
5 Total credits. Add lines 4a through 4e ..	5		
6 Subtract line 5 from line 3.	6	2032950	
7 Personal holding company tax (attach Schedule PH (Form 1120)).	7		
8 Recapture taxes. Check if from: <input type="checkbox"/> Form 4255 <input type="checkbox"/> Form 8611.	8		
9 Alternative minimum tax (attach Form 4626).	9		
10 Total tax. Add lines 6 through 9. Enter here and on line 31, page 1 ..	10	2032950	

Schedule K Other Information (See page 15 of instructions.)

1 Check method of accounting:	Yes	No	7 Was the corporation a U.S. shareholder of any controlled foreign corporation? (See sections 951 and 957.) ..	Yes	No
a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual			If "Yes," attach Form 5471 for each such corporation. Enter number of Forms 5471 attached ▶		
c <input type="checkbox"/> Other (specify) ▶			8 At any time during the 1996 calendar year, did the corporation have an interest in or a signature or other authority over a financial account (such as a bank account, securities account, or other financial account) in a foreign country? ..		<input checked="" type="checkbox"/>
2 See page 17 of the instructions and state the principal:			If "Yes," the corporation may have to file Form TD F 90-22.1. If "Yes," enter name of foreign country ▶		
a Business activity code no. ▶ 5600			9 During the tax year, did the corporation receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If "Yes," see page 16 of the instructions for other forms the corporation may have to file ..		<input checked="" type="checkbox"/>
b Business activity ▶ SALES			10 Did one foreign person at any time during the tax year own, directly or indirectly, at least 25% of: (a) the total voting power of all classes of stock of the corporation entitled to vote, or (b) the total value of all classes of stock of the corporation? If "Yes,"		<input checked="" type="checkbox"/>
c Product or service ▶ APPAREL & ACCES			a Enter percentage owned ▶ 50.00		
3 Did the corporation at the end of the tax year own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c)).		<input checked="" type="checkbox"/>	b Enter owner's country ▶ JAPAN/HONG KONG		
If "Yes," attach a schedule showing: (a) name and identifying number, (b) percentage owned, and (c) taxable income or (loss) before NOL and special deductions of such corporation for the tax year ending with or within your tax year.			c The corporation may have to file Form 5472. Enter number of Forms 5472 attached ▶ 2		
4 Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ..		<input checked="" type="checkbox"/>	11 Check this box if the corporation issued publicly offered debt instruments with original issue discount .. <input type="checkbox"/>		
If "Yes," enter employer identification number and name of the parent corporation ▶			If so, the corporation may have to file Form 8281.		
5 Did any individual, partnership, corporation, estate or trust at the end of the tax year own, directly or indirectly, 50% or more of the corporation's voting stock? (For rules of attribution, see section 267(c).) ..		<input checked="" type="checkbox"/>	12 Enter the amount of tax-exempt interest received or accrued during the tax year .. ▶ \$		
If "Yes," attach a schedule showing name and identifying no. (Do not include any information already entered in 4 above.) Enter percentage owned ▶ SEE STATEMENT 5			13 If there were 35 or fewer shareholders at the end of the tax year, enter the number ▶ 2		
6 During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See secs. 301 and 316.) ..		<input checked="" type="checkbox"/>	14 If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here .. <input type="checkbox"/>		
If "Yes," file Form 5452. If this is a consolidated return, answer here for the parent corporation and on Form 851, Affiliations Schedule, for each subsidiary			15 Enter the available NOL carryover from prior tax years (Do not reduce it by any deduction on line 29a.)		

Department of the Treasury
Internal Revenue Service▶ See separate instructions.
▶ Attach to the corporation's tax return.

1998

Name

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

Employer identification number

98-0018893

1	Taxable income or (loss) before net operating loss deduction	1	5979266
2	Adjustments and preferences:		
a	Depreciation of post-1986 property	2a	-8054
b	Amortization of certified pollution control facilities	2b	
c	Amortization of mining exploration and development costs	2c	
d	Amortization of circulation expenditures (personal holding companies only)	2d	
e	Adjusted gain or loss	2e	-41699
f	Long-term contracts	2f	
g	Installment sales	2g	
h	Merchant marine capital construction funds	2h	
i	Section 549(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)	2i	
j	Tax shelter farm activities (personal service corporations only)	2j	
k	Passive activities (closely held corporations and personal service corporations only)	2k	
l	Loss limitations	2l	
m	Depletion	2m	
n	Tax-exempt interest from specified private activity bonds	2n	
o	Charitable contributions	2o	
p	Intangible drilling costs	2p	
q	Accelerated depreciation of real property (pre-1987)	2q	
r	Accelerated depreciation of leased personal property (pre-1987) (personal holding companies only)	2r	
s	Other adjustments	2s	
t	Combine lines 2a through 2s	t	-49753
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 and 2t	3	5929513
4	ACR adjustment:		
a	Enter the corporation's ACR from line 10 of the worksheet on page 8 of the instructions	4a	5943135
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see examples beginning on page 4 of the instructions)	4b	13622
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c	10217
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACR adjustments over its total reductions in AMTI from prior year ACR adjustments (see page 8 of the instructions). Note: You must enter an amount on line 4d (even if line 4b is positive)	4d	7916
e	ACR adjustment:		
	• If you entered a positive number or zero on line 4b, enter the amount from line 4c here as a positive amount		10217
	• If you entered a negative number on line 4b, enter the smaller of line 4c or line 4d here as a negative amount		
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe alternative minimum tax	5	5939730
6	Alternative tax net operating loss deduction (see page 6 of the instructions)	6	
7	Alternative minimum taxable income. Subtract line 6 from line 5	7	5939730

For Paperwork Reduction Act Notice, see separate instructions.

Form 4626 (1998)

8	Enter the amount from line 7 (alternative minimum taxable income)	8	5939730
9	Exemption phase-out computation (if line 8 is \$310,000 or more, skip lines 9a and 9b and enter -0- on line 9c):		
a	Subtract \$150,000 from line 8 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9a	
b	Multiply line 9a by 25% (.25)	9b	
c	Exemption. Subtract line 9b from \$40,000 (if you are completing this line for a member of a controlled group, see page 5 of the instructions). If zero or less, enter -0-	9c	0
10	Subtract line 9c from line 8. If zero or less, enter -0-	10	5939730
11	Multiply line 10 by 20% (.20)	11	1187946
12	Alternative minimum tax foreign tax credit. See page 5 of the instructions for limitations	12	
13	Tentative minimum tax. Subtract line 12 from line 11	13	1187946
14	Regular tax liability before all credits except the foreign tax credit and possessions tax credit	14	2032950
15	Alternative minimum tax. Subtract line 14 from line 13. Enter the result on the appropriate line of the corporation's income tax return (e.g., Form 1120, Schedule J, line 8). If zero or less, enter -0-	15	0

Adjusted Current Earnings Worksheet

► See ACE Worksheet Instructions (which begin on page 6).

		1	5929513
1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626		
2	ACE depreciation adjustment:		
a	AMT depreciation	2a	52586
b	ACE depreciation:		
(1)	Post-1983 property	2b(1)	16367
(2)	Post-1983, pre-1994 property	2b(2)	8042
(3)	Pre-1990 MACRS property	2b(3)	14555
(4)	Pre-1990 original ACRS property	2b(4)	
(5)	Property described in sections 168(f)(1) through (4)	2b(5)	
(6)	Other property	2b(6)	
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)	2b(7)	38964
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a		13622
3	Inclusion in ACE of items included in earnings and profits (E&P):		
a	Tax-exempt interest income	3a	
b	Death benefits from life insurance contracts	3b	
c	Amounts received from life insurance contracts (including surrenders)	3c	
d	Inclusion of unearned income in life insurance contracts	3d	
e	Other items (see Regulations sections 1.56(g) - 1(e)(6)(B) through (ix) for a partial list)	3e	
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e		0
4	Disallowance of items not deductible from E&P:		
a	Capital dividends received	4a	
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 1382	4b	
c	Dividends paid to an ESOP that are deductible under section 404(x)	4c	
d	Non-qualified dividends that are paid and deductible under section 1382(c)	4d	
e	Other items (see Regulations sections 1.56(g) - 1(d)(3)(i) and (ii) for a partial list)	4e	
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e		0
5	Other adjustments based on rules for figuring E&P:		
a	Interest on life insurance	5a	
b	Charitable contributions	5b	
c	Charitable deductions	5c	
d	Life insurance adjustments	5d	
e	Insurance fees	5e	
f	Total other E&P adjustments. Combine lines 5a through 5e		0
6	Disallowance of loss on exchange of debt pools		
7	Acquisition expenses of life insurance companies for qualified foreign contracts		
8	Capital loss		
9	Basic adjustments in determining gain or loss from sale or exchange of pre-1994 property		
10	Adjusted current earnings. Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626		5943135

Client 35117

SUN MOTOYAMA INTERNATIONAL GUAM, INC.

98-0018893

STATEMENT 1
FORM 1120, LINE 10
OTHER INCOME

COMMISSION INCOME	\$	18358
OTHER INCOME		4440
TOTAL	\$	22798
		=====

STATEMENT 2
FORM 1120, LINE 17
TAXES AND LICENSES

GRT	\$	655395
OTHER TAXES		170
PAYROLL TAXES		70892
TOTAL	\$	726457
		=====

STATEMENT 3
FORM 1120, LINE 19
CHARITABLE CONTRIBUTIONS

CHARITABLE CONTRIBUTION	\$	1984
TOTAL	\$	1984
		=====

STATEMENT 4
FORM 1120, LINE 26
OTHER DEDUCTIONS

AMORTIZATION	\$	2279
BANK CHARGES		269426
CASH SHORT		235
COMMUNICATIONS		29532
DAMAGE ACCOUNT		1600
DUES AND SUBSCRIPTIONS		20542
INSURANCE		79821
LEGAL AND PROFESSIONAL		76038
LOSS ON ABANDONMENT OF L/H & OTHER F/A		5231
MEALS, ENTERTAINMENT, AND CERTAIN TRAVEL EXPENSES		5483
OUTSIDE SERVICES		12452
POSTAGE		4811
SUPPLIES		196127